

COMMITTEE PRINT**Proposed Recommendations for Second Energy Bill**

1 **TITLE VI—COMMITTEE ON**
2 **RESOURCES**

3 **SEC. 600. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “National Energy Supply Diversification and Disruption
6 Prevention Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this title is as follows:

Sec. 600. Short title; table of contents.

 Subtitle A—Geothermal Energy

Sec. 601. Proposed correction for the Geothermal Steam Act.

Sec. 602. Expediting administrative action for geothermal leasing.

 Subtitle B—Oil and gas

Sec. 611. Compliance with Executive Order No. 13211; actions concerning reg-
 ulations that significantly affect energy supply, distribution, or
 use.

Sec. 612. Office of Federal Energy Project Coordination.

Sec. 613. Application of National Historic Preservation Act.

Sec. 614. Significant supply disruption.

Sec. 615. Decisions to hold sales of oil and gas leases.

Sec. 616. Donations.

Sec. 617. NEPA review.

Sec. 618. Oil shale amendments.

 Subtitle C—Miscellaneous

Sec. 631. Temporary availability of additional quantities of free firewood from
 National Forest System lands.

Sec. 632. Vegetation management on Federal lands containing electric trans-
 mission and distribution facilities.

Sec. 633. Study and report on constraints on Bureau of Reclamation hydro-
 power generation sources.

Sec. 634. Leases and business agreements related to energy resources on In-
 dian lands.



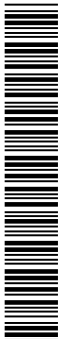
Sec. 635. Environmental review for renewable energy projects.

Subtitle D—Offshore Oil and Gas Development

- Sec. 651. Short title.
- Sec. 652. Policy.
- Sec. 653. Definitions under the Outer Continental Shelf Lands Act.
- Sec. 654. Determination of adjacent zones and planning areas.
- Sec. 655. Administration of leasing.
- Sec. 656. Grant of leases by Secretary.
- Sec. 657. Disposition of receipts.
- Sec. 658. Review of outer Continental Shelf exploration plans.
- Sec. 659. Reservation of lands and rights.
- Sec. 660. Outer Continental Shelf leasing program.
- Sec. 661. Coordination with Adjacent States.
- Sec. 662. Environmental studies.
- Sec. 663. Review of outer Continental Shelf development and production plans.
- Sec. 664. Federal Energy Natural Resources Enhancement Fund Act of 2005.
- Sec. 665. Termination of effect of laws prohibiting the spending of appropriated funds for certain purposes.
- Sec. 666. Outer Continental Shelf incompatible use.
- Sec. 667. Repurchase of certain leases.
- Sec. 668. Offsite environmental mitigation.
- Sec. 669. Amendments to the Mineral Leasing Act.
- Sec. 670. Creation of the Mineral Leasing Operations Fund.
- Sec. 671. Minerals Management Service.
- Sec. 672. Authority to use decommissioned offshore oil and gas platforms and other facilities for mariculture, artificial reef, scientific research, or other uses.
- Sec. 673. Revisions to comprehensive inventory of OCS oil and natural gas resources.
- Sec. 674. Mining and petroleum schools.
- Sec. 675. Onshore and offshore mineral lease fees.
- Sec. 676. Atlantic and Pacific OCS Region headquarters.
- Sec. 677. National Geologic Data and Mapping Fund Act of 2005.

Subtitle E—Arctic Coastal Plain Domestic Energy

- Sec. 681. Short title.
- Sec. 682. Definitions.
- Sec. 683. Leasing program for lands within the coastal plain.
- Sec. 684. Lease sales.
- Sec. 685. Grant of leases by the Secretary.
- Sec. 686. Lease terms and conditions.
- Sec. 687. Coastal Plain environmental protection.
- Sec. 688. Expedited judicial review.
- Sec. 689. Federal and State distribution of revenues.
- Sec. 690. Rights-of-way across the Coastal Plain.
- Sec. 691. Conveyance.
- Sec. 692. Local government impact aid and community service assistance.



1 **Subtitle A—Geothermal Energy**

2 **SEC. 601. PROPOSED CORRECTION FOR THE GEOTHERMAL**
3 **STEAM ACT.**

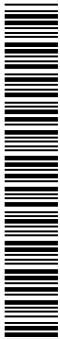
4 Section 6(a) of the Geothermal Steam Act of 1970
5 (30 U.S.C. 1005(a)), is amended by adding at the end
6 the following:

7 “(4) ACHIEVING PRODUCTION IN COMMERCIAL
8 QUANTITIES.—If energy is produced or utilized in
9 commercial quantities from geothermal resources un-
10 derlying the area that is subject to the geothermal
11 lease, the term of the lease shall continue for so long
12 thereafter as such production or utilization continues
13 in commercial quantities.”.

14 **SEC. 602. EXPEDITING ADMINISTRATIVE ACTION FOR GEO-**
15 **THERMAL LEASING.**

16 Section 15 of the Geothermal Steam Act of 1970 (30
17 U.S.C. 1014) is amended by adding at the end the fol-
18 lowing:

19 “(d) TREATMENT OF GEOTHERMAL LEASING UNDER
20 FEDERAL LAND MANAGEMENT PLANS.—Geothermal
21 leasing and development of Federal lands in accordance
22 with the Energy Policy Act of 2005 (Public Law 109–58)
23 is deemed to be consistent with the management of Na-
24 tional Forest System lands under section 6 of the Forest
25 and Rangeland Renewable Resources Planning Act of



1 1974 (16 U.S.C. 1604) and public lands under section 202
2 of the Federal Land Policy and Management Act of 1976
3 (43 U.S.C. 1712). Land and resource management plans
4 and land use plans in effect under such sections on the
5 date of the enactment of this subsection are deemed to
6 be adequate to proceed with the issuance of leases under
7 this Act.”.

8 **Subtitle B—Oil and Gas**

9 **SEC. 611. COMPLIANCE WITH EXECUTIVE ORDER NO. 13211;** 10 **ACTIONS CONCERNING REGULATIONS THAT** 11 **SIGNIFICANTLY AFFECT ENERGY SUPPLY,** 12 **DISTRIBUTION, OR USE.**

13 (a) REQUIREMENT.—The head of each Federal agen-
14 cy shall require that before the Federal agency takes any
15 action that could have a significant adverse effect on the
16 supply of domestic energy resources from Federal public
17 land, the Federal agency taking the action shall comply
18 with Executive Order No. 13211 (42 U.S.C. 13201 note).

19 (b) GUIDANCE.—Not later than 180 days after the
20 date of enactment of this Act, the Secretary of Energy
21 shall publish guidance for purposes of this section describ-
22 ing what constitutes a significant adverse effect on the
23 supply of domestic energy resources under Executive
24 Order No. 13211 (42 U.S.C. 13201 note).



1 (c) MEMORANDUM OF UNDERSTANDING.—The Sec-
2 retary of the Interior and the Secretary of Agriculture
3 shall include in the memorandum of understanding under
4 section 363 of the Energy Policy Act of 2005 provisions
5 for implementing subsection (a) of this section.

6 **SEC. 612. OFFICE OF FEDERAL ENERGY PROJECT COORDI-**
7 **NATION.**

8 (a) ESTABLISHMENT.—The President shall establish
9 the Office of Federal Energy Project Coordination (re-
10 ferred to in this section as the “Office”) within the Execu-
11 tive Office of the President in the same manner and with
12 the same mission as the White House Energy Projects
13 Task Force established by Executive Order No. 13212 (42
14 U.S.C. 13201 note).

15 (b) STAFFING.—The Office shall be staffed by func-
16 tional experts from relevant Federal agencies on a non-
17 reimbursable basis to carry out the mission of the Office.

18 (c) REPORT.—The Office shall transmit an annual
19 report to Congress that describes the activities put in place
20 to coordinate and expedite Federal decisions on energy
21 projects. The report shall list accomplishments in improv-
22 ing the Federal decisionmaking process and shall include
23 any additional recommendations or systemic changes
24 needed to establish a more effective and efficient Federal
25 permitting process.



1 **SEC. 613. APPLICATION OF NATIONAL HISTORIC PRESER-**
2 **VATION ACT.**

3 Section 106 of the National Historic Preservation Act
4 (16 U.S.C. 470f) is amended by adding before the period
5 in the first sentence the following: “, except that this re-
6 quirement shall not apply with respect to any federally au-
7 thorized activity, including the issuance of any drilling
8 permit, right of way, or authority to conduct any other
9 surface-disturbing activity, related to the development of
10 Federal oil and gas resources where the surface estate is
11 owned by a non-Federal landowner, unless specifically re-
12 quested by the non-Federal surface landowner”.

13 **SEC. 614. SIGNIFICANT SUPPLY DISRUPTION.**

14 (a) REQUIREMENT TO WAIVE LIMITATIONS.—Except
15 as provided in subsection (b), whenever the Secretary of
16 the Interior (in this section referred to as the “Secretary”)
17 determines that there has been a significant disruption to
18 the supply of oil or gas to the United States either from
19 domestic or imported sources, the Secretary or the Sec-
20 retary of Agriculture, as the case may be, shall waive, dur-
21 ing the period specified by the Secretary, any limitations
22 on the timing of construction, drilling, or other operations
23 related to any oil and gas lease or any pipeline right-of-
24 way administered by the Secretary or the Secretary of Ag-
25 riculture, respectively, for any area located on shore or on
26 the Outer Continental Shelf.



1 (b) LIMITATION ON WAIVER.—This section shall not
2 apply to any limitation that is required to comply with
3 the Endangered Species Act of 1973 (16 U.S.C. 1531 et
4 seq.) or the Marine Mammal Protection Act of 1972 (16
5 U.S.C. 1361 et seq.).

6 (c) EFFECT OF DETERMINATION.—The Secretary's
7 determination under this section shall be final and not
8 subject to judicial review.

9 **SEC. 615. DECISIONS TO HOLD SALES OF OIL AND GAS**
10 **LEASES.**

11 Any decision of the Bureau of Land Management to
12 hold a sale of oil and gas leases on Federal land or to
13 issue an oil or gas lease on Federal land, in accordance
14 with an applicable land use plan, shall be considered final
15 and not subject to further administrative or judicial re-
16 view.

17 **SEC. 616. DONATIONS.**

18 (a) REQUIREMENTS.—The Director of the Bureau of
19 Land Management—

20 (1) shall use the authority provided in the Fed-
21 eral Land Policy and Management Act of 1976 (43
22 U.S.C. 1701 et seq.) to accept donations of services
23 to reduce any backlog in the processing of any per-
24 mits and other approvals that may be required for
25 energy development; and



1 (2) shall make increased use of the authority in
2 that Act to accept voluntary donations of money and
3 real property to mitigate the impacts of energy de-
4 velopment.

5 (b) **AUTHORITY TO USE DONATIONS.**—Notwith-
6 standing any other provision of law, the Director may use
7 donations of money or property to mitigate the impacts
8 of energy development in concert with the use of funds
9 appropriated to enhance or restore the health of the land,
10 if the measures taken meet the mitigation goals for which
11 the donation was made.

12 **SEC. 617. NEPA REVIEW.**

13 (a) **PRESUMPTION REGARDING ROUTINE OR PRE-**
14 **VENTATIVE ACTIVITIES.**—Section 390(b)(5) of the En-
15 ergy Policy Act of 2005 (Public Law 109–58) is amended
16 to read as follows:

17 “(5) Minor routine or preventative operation or
18 maintenance activities related to resource develop-
19 ment or on facilities or Federal lands.”.

20 (b) **PRESUMPTION REGARDING ADDITIONAL ACTIVI-**
21 **TIES.**—Section 390(b) of the Energy Policy Act of 2005
22 (Public Law 109–58) is amended by adding at the end
23 the following:

24 “(6) Actions with respect to which the Bureau
25 of Land Management or the Forest Service is co-



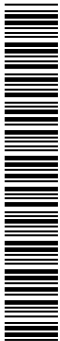
1 operating as a lead agency or is a joint lead agency
2 with another bureau, department, or Federal agency
3 on a project or action and the action is a categorical
4 exclusion for that agency.

5 “(7) Establishment of terms and conditions in,
6 and approval of Notices of Intent to conduct geo-
7 physical exploration of oil, gas, or geothermal pursu-
8 ant to section 3150 or 3250 of title 43, Code of
9 Federal Regulations, where road construction is not
10 authorized.

11 “(8) Approval for disposal of produced water in
12 accordance with Federal and State regulatory re-
13 quirements if the produced water is the result of an
14 activity that disturbs less than 5 acres.

15 “(9) Approval of any geothermal drilling or pro-
16 duction operation that disturbs less than 5 acres.

17 “(10) Issuance of a oil, gas, or geothermal lease
18 for which an approved land use plan or any environ-
19 mental document prepared pursuant to the National
20 Environmental Policy Act of 1969 analyzed explo-
21 ration and development as a reasonably foreseeable
22 activity.”.



1 **SEC. 618. OIL SHALE AMENDMENTS.**

2 (a) REPEAL OF REQUIREMENT TO ESTABLISH PAY-
3 MENTS.—Section 369(o) of the Energy Policy Act of 2005
4 (Public Law 109–58) is repealed.

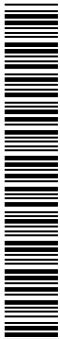
5 (b) TREATMENT OF REVENUES.—Section 21 of the
6 Mineral Leasing Act (30 U.S.C. 241) is amended by add-
7 ing at the end the following:

8 “(f) REVENUES.—

9 “(1) IN GENERAL.—Notwithstanding the provi-
10 sions of section 35, all revenues received from and
11 under an oil shale or tar sands lease shall be dis-
12 posed of as provided in this subsection.

13 “(2) ROYALTY RATES FOR COMMERCIAL
14 LEASES.—

15 “(A) INITIAL PRODUCTION.—For the first
16 10 years after initial production under each oil
17 shale or tar sands lease issued under the com-
18 mercial leasing program established under sub-
19 section (d), the Secretary shall set the royalty
20 rate at not less than 1 percent nor more than
21 3 percent of the gross value of production.
22 However, the initial production period royalty
23 rate set by the Secretary shall not apply to pro-
24 duction occurring more than 15 years after the
25 date of issuance of the lease.



1 “(B) SUBSEQUENT PERIODS.—After the
2 periods of time specified in subparagraph (A),
3 the Secretary shall set the royalty rate on each
4 oil shale or tar sands lease issued under the
5 commercial leasing program established under
6 subsection (d) at not less than 6 percent nor
7 more than 9 percent of the gross value of pro-
8 duction.

9 “(C) REDUCTION.—The Secretary shall re-
10 duce any royalty otherwise required to be paid
11 under subparagraphs (A) and (B) under any oil
12 shale or tar sands lease on a sliding scale based
13 upon market price, with a 10 percent reduction
14 if the monthly average price of NYMEX West
15 Texas Intermediate crude oil at Cushing, Okla-
16 homa, (WTI) drops below \$50 (in 2005 dollars)
17 for the month in which the production is sold,
18 and an 80 percent reduction if the monthly av-
19 erage price of WTI drops below \$30 (in 2005
20 dollars) for the month in which the production
21 is sold.

22 “(3) DISPOSITION OF REVENUES.—

23 “(A) DEPOSIT.—The Secretary shall de-
24 posit into a separate account in the Treasury



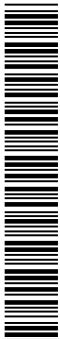
1 all revenues derived from any oil shale or tar
2 sands lease.

3 “(B) ALLOCATIONS TO STATES AND LOCAL
4 POLITICAL SUBDIVISIONS.—The Secretary shall
5 allocate 50 percent of the revenues deposited
6 into the account established under subpara-
7 graph (A) to the State within the boundaries of
8 which the leased lands are located, with a por-
9 tion of that to be paid directly by the Secretary
10 to the State’s local political subdivisions as pro-
11 vided in this paragraph.

12 “(C) TRANSMISSION OF ALLOCATIONS.—

13 “(i) IN GENERAL.—Not later than the
14 last business day of the month after the
15 month in which the revenues were received,
16 the Secretary shall transmit—

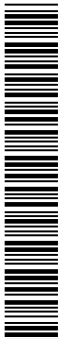
17 “(I) to each State two-thirds of
18 such State’s allocations under sub-
19 paragraph (B), and in accordance
20 with clauses (ii) and (iii) to certain
21 county-equivalent and municipal polit-
22 ical subdivisions of such State a total
23 of one-third of such State’s allocations
24 under subparagraph (B), together
25 with all accrued interest thereon;



1 “(II) the remaining balance of
2 such revenues deposited into the ac-
3 count that are not allocated under
4 subparagraph (B), together with in-
5 terest thereon, shall be transmitted to
6 the miscellaneous receipts account of
7 the Treasury, except that until a lease
8 has been in production for 10 years
9 80 percent of such remaining balance
10 derived from a lease shall be paid in
11 accordance with subclause (I).

12 “(ii) ALLOCATIONS TO CERTAIN
13 COUNTY-EQUIVALENT POLITICAL SUBDIVI-
14 SIONS.—The Secretary shall under clause
15 (i)(I) make equitable allocations of the rev-
16 enues to county-equivalent political sub-
17 divisions that the Secretary determines are
18 closely associated with the leasing and pro-
19 duction of oil shale and tar sands, under a
20 formula that the Secretary shall determine
21 by regulation.

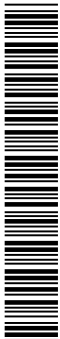
22 “(iii) ALLOCATIONS TO MUNICIPAL
23 POLITICAL SUBDIVISIONS.—The initial al-
24 location to each county-equivalent political
25 subdivision under clause (ii) shall be fur-



1 ther allocated to the county-equivalent po-
2 litical subdivision and any municipal polit-
3 ical subdivisions located partially or wholly
4 within the boundaries of the county-equiva-
5 lent political subdivision on an equitable
6 basis under a formula that the Secretary
7 shall determine by regulation.

8 “(D) INVESTMENT OF DEPOSITS.—The de-
9 posits in the Treasury account established
10 under this section shall be invested by the Sec-
11 retary of the Treasury in securities backed by
12 the full faith and credit of the United States
13 having maturities suitable to the needs of the
14 account and yielding the highest reasonably
15 available interest rates as determined by the
16 Secretary of the Treasury.

17 “(E) USE OF FUNDS.—A recipient of
18 funds under this subsection may use the funds
19 for any lawful purpose as determined by State
20 law. Funds allocated under this subsection to
21 States and local political subdivisions may be
22 used as matching funds for other Federal pro-
23 grams without limitation. Funds allocated to
24 local political subdivisions under this subsection
25 may not be used in calculation of payments to



1 such local political subdivisions under programs
2 for payments in lieu of taxes or other similar
3 programs.

4 “(F) NO ACCOUNTING REQUIRED.—No re-
5 cipient of funds under this subsection shall be
6 required to account to the Federal Government
7 for the expenditure of such funds, except as
8 otherwise may be required by law.

9 “(4) DEFINITIONS.—In this subsection:

10 “(A) COUNTY-EQUIVALENT POLITICAL
11 SUBDIVISION.—The term ‘county-equivalent po-
12 litical subdivision’ means a political jurisdiction
13 immediately below the level of State govern-
14 ment, including a county, parish, borough in
15 Alaska, independent municipality not part of a
16 county, parish, or borough in Alaska, or other
17 equivalent subdivision of a State.

18 “(B) MUNICIPAL POLITICAL SUBDIVI-
19 SION.—The term ‘municipal political subdivi-
20 sion’ means a municipality located within and
21 part of a county, parish, borough in Alaska, or
22 other equivalent subdivision of a State.”.



1 **Subtitle C—Miscellaneous**

2 **SEC. 631. TEMPORARY AVAILABILITY OF ADDITIONAL**
3 **QUANTITIES OF FREE FIREWOOD FROM NA-**
4 **TIONAL FOREST SYSTEM LANDS.**

5 (a) AVAILABILITY OF FREE FIREWOOD.—Notwith-
6 standing section 223.8 of title 36, Code of Federal Regula-
7 tions, during the one year period beginning on the date
8 of the enactment of this Act, forest officers designated by
9 the supervisor of a unit of the National Forest System
10 shall grant individuals the free collection and removal of
11 timber from designated National Forest System lands to
12 be used as firewood.

13 (b) VALUE OF TIMBER.—The total value of the tim-
14 ber collected by an individual using the authority provided
15 by this section may not exceed \$1,000.

16 (c) RELATION TO OTHER LAWS.—Except as provided
17 in subsections (a) and (b), the collection of firewood using
18 the authority provided by this section shall be subject to
19 all other applicable rules of the Forest Service.

20 **SEC. 632. VEGETATION MANAGEMENT ON FEDERAL LANDS**
21 **CONTAINING ELECTRIC TRANSMISSION AND**
22 **DISTRIBUTION FACILITIES.**

23 (a) IN GENERAL.—Title V of the Federal Land Pol-
24 icy and Management Act of 1976 (43 U.S.C. 1761 et seq.)
25 is amended by adding at the end the following new section:



1 **“SEC. 512. VEGETATION MANAGEMENT RELATING TO ELEC-**
2 **TRIC TRANSMISSION AND DISTRIBUTION FA-**
3 **CILITY RIGHTS-OF-WAY.**

4 “(a) GENERAL DIRECTION.—In order to enhance the
5 reliability of the electricity grid and reduce the threat of
6 wildfires to electric transmission and distribution facilities,
7 the Secretary of the Interior, with respect to public lands
8 and other lands under the jurisdiction of the Secretary,
9 and the Secretary of Agriculture, with respect to National
10 Forest System lands, shall provide direction to ensure that
11 existing and future authorizations of rights-of-way and
12 easements for electrical transmission and distribution fa-
13 cilities on such lands include provisions for utility vegeta-
14 tion management activities that, while consistent with ap-
15 plicable law—

16 “(1) are developed in consultation with the
17 holder of the right-of-way or easement;

18 “(2) enable the owner or operator of a facility
19 to comply with Federal and State electric system re-
20 liability and fire safety requirements, including reli-
21 ability standards established by the North American
22 Electric Reliability Council or the Electric Reliability
23 Organization certified under section 215 of the Fed-
24 eral Power Act;

25 “(3) minimize the need for case-by-case or an-
26 nual approvals for—



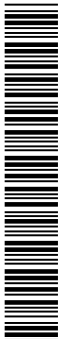
1 “(A) routine vegetation management ac-
2 tivities within permitted electrical transmission
3 corridors; and

4 “(B) utility vegetation management activi-
5 ties that are necessary to control hazard trees
6 within or adjacent to electrical transmission
7 corridors;

8 “(4) provide for expedited review, whenever re-
9 view is required, and expedited approval, to the max-
10 imum extent practicable, for utility vegetation man-
11 agement activities, especially activities requiring
12 prompt action to avoid an adverse impact on safety
13 or electric reliability.

14 “(b) INTEGRATED VEGETATION MANAGEMENT
15 PLANS.—

16 “(1) DEVELOPMENT AND SUBMISSION.—Con-
17 sistent with subsection (a), the Secretary of the In-
18 terior and the Secretary of Agriculture shall provide
19 owners and operators of electric transmission and
20 distribution facilities located on lands described in
21 such subsection with the option to develop and sub-
22 mit an integrated vegetation management plan for
23 approval to the Secretary with jurisdiction over the
24 lands. An integrated vegetation management plan
25 shall enable the owner or operator of a facility, at



1 a minimum, to comply with applicable Federal and
2 State electric system reliability and fire safety re-
3 quirements, as provided in subsection (a)(2). The
4 Secretaries shall not have the authority to modify
5 those requirements.

6 “(2) REVIEW AND APPROVAL PROCESS.— The
7 Secretary of the Interior and the Secretary of Agri-
8 culture shall jointly develop a consolidated and co-
9 ordinated process for review and approval of—

10 “(A) integrated vegetation management
11 plans submitted under paragraph (1) that—

12 “(i) assures timely approval;

13 “(ii) is consistent with applicable law;

14 and

15 “(iii) to the maximum extent prac-
16 ticable, minimizes the costs of the process
17 to the reviewing agency and the person
18 submitting the plan; and

19 “(B) amendments to an integrated vegeta-
20 tion management plan in a timely manner in
21 the event that changed conditions warrant a
22 modification to a plan.

23 “(3) NOTIFICATION.—The review and approval
24 process under paragraph (2) shall—



1 “(A) include notification by the agency of
2 any changed conditions that warrant a modi-
3 fication to an integrated vegetation manage-
4 ment plan;

5 “(B) provide an opportunity for the owner
6 or operator to submit a proposed plan amend-
7 ment to address directly the changed condition;
8 and

9 “(C) to the maximum extent practicable,
10 allow the owner or operator to continue to im-
11 plement those elements of the approved plan
12 that do not directly and adversely affect the
13 condition precipitating the need for modifica-
14 tion.

15 “(4) IMPLEMENTATION.—An approved inte-
16 grated vegetation management plan shall become
17 part of the authorization governing the covered
18 right-of-way or easement. If an integrated vegetation
19 management plan is proposed for an existing trans-
20 mission and distribution facility concurrent with the
21 siting of a new transmission or distribution facility,
22 necessary reviews shall be completed as part of the
23 siting process. Once the plan is approved, the owner
24 or operator shall provide the agency with only a no-
25 tification of activities to be undertaken in the com-



1 ing year, a description of those activities, and certifi-
2 cation that the activities are in accordance with the
3 plan.

4 “(5) DEFINITION.—In this section, the term
5 ‘integrated vegetation management plan’ means a
6 plan that—

7 “(A) is prepared by the owner or operator
8 of an electrical transmission or distribution fa-
9 cility to cover one or more electric transmission
10 and distribution rights-of-way or easements;
11 and

12 “(B) provides for the long-term, cost-effec-
13 tive, sustainable, ecosystem-based management
14 of vegetation within the permitted width of the
15 covered rights-of-way and easements to enhance
16 electricity reliability, promote public safety, and
17 avoid fire hazards.

18 “(c) RESPONSE TO EMERGENCY CONDITIONS.—If
19 vegetation on lands within a right-of-way or easement
20 granted by the Secretary of the Interior or the Secretary
21 of Agriculture does not meet clearance requirements under
22 standards established by the North American Electric Re-
23 liability Council or the Electric Reliability Organization
24 and the Secretary having jurisdiction over the lands has
25 acted, or failed to act, to allow a transmission or distribu-



1 tion facility owner or operator to conduct vegetation man-
2 agement activities within three business days after receiv-
3 ing a request to allow such activities, the owner or oper-
4 ator may, after notifying the Secretary, conduct such vege-
5 tation management activities to meet clearance require-
6 ments under such standards.

7 “(d) LIABILITY WAIVER.—

8 “(1) WAIVER.—If the Secretary of the Interior
9 or the Secretary of Agriculture fails to authorize a
10 transmission or distribution facility owner or oper-
11 ator to manage vegetation within a right-of-way or
12 easement on lands under the jurisdiction of the Sec-
13 retary in order to comply with Federal and State
14 electric system reliability and fire safety require-
15 ments, including reliability standards established by
16 the North American Electric Reliability Council or
17 the Electric Reliability Organization, and the vegeta-
18 tion causes or contributes to wildfire damage, loss,
19 or injury, the owner or operator of the facility in-
20 volved shall not be liable to the United States di-
21 rectly, through indemnification, or otherwise for
22 such damage, loss, or injury, including for the cost
23 of fire suppression.

24 “(2) EXCEPTION.—The owner or operator of a
25 transmission or distribution facility in a right-of-way



1 or easement on lands under the jurisdiction of the
2 Secretary of the Interior or the Secretary of Agri-
3 culture shall continue to be liable for a portion of
4 the damages caused by a wildfire described in para-
5 graph (1) and the cost of fire suppression if the
6 owner or operator was contributorily negligent and
7 the law of the jurisdiction in which the damages or
8 costs occurred applies the comparative negligence
9 doctrine.

10 “(e) TRAINING AND GUIDANCE.—In consultation
11 with the electric utility industry, the Secretary of the Inte-
12 rior and the Secretary of Agriculture are encouraged to
13 develop a program to train personnel of the Department
14 of the Interior and the Forest Service involved in vegeta-
15 tion management decisions relating to transmission and
16 distribution facilities to ensure that such personnel—

17 “(1) understand electric system reliability and
18 fire safety requirements, including reliability stand-
19 ards established by the North American Electric Re-
20 liability Council or the Electric Reliability Organiza-
21 tion; and

22 “(2) assist owners and operators of trans-
23 mission and distribution facilities to comply with ap-
24 plicable electric reliability and fire safety require-
25 ments.”.



1 (b) IMPLEMENTATION.—Not later than one year
2 after the date of the enactment of this Act, the Secretary
3 of the Interior and the Secretary of Agriculture shall pre-
4 scribe regulations, or amend existing regulations, to imple-
5 ment section 512 of the Federal Land Policy and Manage-
6 ment Act of 1976, as added by subsection (a).

7 **SEC. 633. STUDY AND REPORT ON CONSTRAINTS ON BU-**
8 **REAU OF RECLAMATION HYDROPOWER GEN-**
9 **ERATION SOURCES.**

10 Not later than one year after the date of the enact-
11 ment of this Act, the Secretary of the Interior, in consulta-
12 tion with each appropriate Power Marketing Administra-
13 tion, affected power customers, water interests, environ-
14 mental organizations, and other entities, shall submit to
15 the Committee on Resources in the House of Representa-
16 tives and the Committee on Energy and Natural Re-
17 sources in the Senate a report that examines environ-
18 mental constraints on Bureau of Reclamation hydropower
19 generation sources. The report shall, at a minimum, iden-
20 tify the following:

- 21 (1) Operational changes and water releases for
22 endangered species and environmental purposes.
23 (2) Sources and levels of annual expenditures
24 for environmental programs (direct and indirect).



1 (3) The impacts identified for each of the five
2 operating criteria for Glen Canyon Dam, as analyzed
3 in the final Environmental Impact Statement (EIS),
4 dated March 21, 1995 (FES 95–8).

5 (4) The specific timetable for completion of
6 studies that will allow the secretary to make an in-
7 formed decision as to the continuation, alteration or
8 elimination of each element.

9 (5) The cumulative amount of generating ca-
10 pacity that has been foregone from Bureau of Rec-
11 lamation hydropower generation sources due to
12 changed operations or experimental testing for envi-
13 ronmental purposes.

14 (6) Costs of power to replace lost generating ca-
15 pability of Bureau of Reclamation hydropower gen-
16 eration sources as a result of changed operations for
17 experimental testing for environmental purposes.

18 (7) Specific recommendations to eliminate or
19 mitigate these constraints.

20 **SEC. 634. LEASES AND BUSINESS AGREEMENTS RELATED**
21 **TO ENERGY RESOURCES ON INDIAN LANDS.**

22 Section 2604(a)(1)(B) of the Energy Policy Act of
23 1992 is amended—

24 (1) in clause (i), by striking “; or” and insert-
25 ing a semicolon;



1 (2) in clause (ii), by striking “; and” and in-
2 serting “; or” ; and

3 (3) by adding at the end the following new
4 clause:

5 “(iii) a facility located on tribal land
6 to process or refine oil resources; and”.

7 **SEC. 635. ENVIRONMENTAL REVIEW FOR RENEWABLE EN-**
8 **ERGY PROJECTS.**

9 (a) COMPLIANCE WITH NEPA FOR RENEWABLE EN-
10 ERGY PROJECTS.—Notwithstanding any other law, in pre-
11 paring an environmental assessment or environmental im-
12 pact statement required under section 102 of the National
13 Environmental Policy Act of 1969 (42 U.S.C. 4332) with
14 respect to any action authorizing a renewable energy
15 project under the jurisdiction of a Federal agency—

16 (1) no Federal agency is required to identify al-
17 ternative project locations or actions other than the
18 proposed action and the no action alternative; and

19 (2) no Federal agency is required to analyze the
20 environmental effects of alternative locations or ac-
21 tions other than those submitted by the project pro-
22 ponent.

23 (b) CONSIDERATION OF ALTERNATIVES.—In any en-
24 vironmental assessment or environmental impact state-
25 ment referred to in subsection (a), the Federal agency



1 shall only identify and analyze the environmental effects
2 and potential mitigation measures of—

3 (1) the proposed action; and

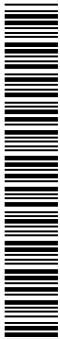
4 (2) the no action alternative.

5 (c) PUBLIC COMMENT.—In preparing an environ-
6 mental assessment or environmental impact statement re-
7 ferred to in subsection (a), the Federal agency shall only
8 consider public comments that specifically address the pre-
9 ferred action and that are filed within 20 days after publi-
10 cation of a draft environmental assessment or draft envi-
11 ronmental impact statement. Notwithstanding any other
12 law, compliance with this subsection is deemed to satisfy
13 section 102(2) of the National Environmental Policy Act
14 of 1969 (42 U.S.C. 4332(2)) and the applicable regula-
15 tions and administrative guidelines with respect to pro-
16 posed renewable energy projects.

17 (d) RENEWABLE ENERGY PROJECT DEFINED.—For
18 purposes of this section, the term “renewable energy
19 project”—

20 (1) means any proposal to utilize an energy
21 source other than nuclear power, coal, oil, or natural
22 gas; and

23 (2) includes the use of wind, solar, geothermal,
24 biomass, or tidal forces to generate energy.



1 **Subtitle D—Offshore Oil and Gas**
2 **Development**

3 **SEC. 651. SHORT TITLE.**

4 This subtitle may be cited as the “Offshore State Op-
5 tions Act of 2005”.

6 **SEC. 652. POLICY.**

7 It is the policy of the United States that—

8 (1) Adjacent States are required by the cir-
9 cumstances to commit significant resources in sup-
10 port of exploration, development, and production ac-
11 tivities for mineral resources on the outer Conti-
12 nental Shelf, and it is fair and proper for a portion
13 of the receipts from such activities to be shared with
14 Adjacent States and their local coastal governments
15 in the form of impact sharing;

16 (2) the existing laws governing the leasing and
17 production of the mineral resources of the outer
18 Continental Shelf have reduced the production of
19 mineral resources, have preempted Adjacent States
20 from being sufficiently involved in the decisions re-
21 garding the allowance of mineral resource develop-
22 ment, and have been harmful to the national inter-
23 est;

24 (3) the national interest is served by granting
25 the Adjacent States more options related to whether



1 or not mineral leasing should occur in the outer
2 Continental Shelf within their Adjacent Zones;

3 (4) it is not reasonably foreseeable that explo-
4 ration of a leased tract located more than 25 miles
5 seaward of the coastline, development and produc-
6 tion of a natural gas discovery located more than 25
7 miles seaward of the coastline, or development and
8 production of an oil discovery located more than 50
9 miles seaward of the coastline will adversely affect
10 resources near the coastline;

11 (5) transportation of oil from a leased tract
12 might reasonably be foreseen, under limited cir-
13 cumstances, to have the potential to adversely affect
14 such resources if the oil is within 50 miles of the
15 coastline, but such potential to adversely affect such
16 resources is likely no greater, and probably less,
17 than the potential impacts from tanker transpor-
18 tation because tanker spills usually involve large re-
19 leases of oil over a brief period of time; and

20 (6) among other bodies of inland waters, the
21 Great Lakes, Long Island Sound, Delaware Bay,
22 Chesapeake Bay, Albemarle Sound, San Francisco
23 Bay, and Puget Sound are not part of the outer
24 Continental Shelf, and are not subject to leasing by
25 the Federal Government for the exploration, develop-



1 ment, and production of any mineral resources that
2 might lie beneath them.

3 **SEC. 653. DEFINITIONS UNDER THE OUTER CONTINENTAL**
4 **SHELF LANDS ACT.**

5 Section 2 of the Outer Continental Shelf Lands Act
6 (43 U.S.C. 1331) is amended—

7 (1) by amending paragraph (f) to read as fol-
8 lows:

9 “(f) The term ‘affected State’ means the Adjacent
10 State.”;

11 (2) by striking the semicolon at the end of each
12 of paragraphs (a) through (n) and inserting a pe-
13 riod;

14 (3) by striking “; and” at the end of paragraph
15 (p) and inserting a period; and

16 (4) by adding at the end the following:

17 “(r) The term ‘Adjacent State’ means, with respect
18 to any program, plan, lease sale, leased tract or other ac-
19 tivity, proposed, conducted, or approved pursuant to the
20 provisions of this Act, any State the laws of which are
21 declared, pursuant to section 4(a)(2), to be the law of the
22 United States for the portion of the outer Continental
23 Shelf on which such program, plan, lease sale, leased tract
24 or activity appertains or is, or is proposed to be, con-
25 ducted.



1 “(s) The term ‘bonus bids’ means all funds received
2 by the Secretary to issue an outer Continental Shelf min-
3 erals lease.

4 “(t) The term ‘royalties’ means all funds received by
5 the Secretary from production of oil or natural gas, or
6 the sale of production taken in-kind, from an outer Conti-
7 nental Shelf minerals lease.

8 “(u) The term ‘Adjacent Zone’ means, with respect
9 to any program, plan, lease sale, leased tract, or other ac-
10 tivity, proposed, conducted, or approved pursuant to the
11 provisions of this Act, the portion of the outer Continental
12 Shelf for which the laws of a particular Adjacent State
13 are declared, pursuant to section 4(a)(2), to be the law
14 of the United States.

15 “(v) The term ‘miles’ means statute miles.

16 “(w) The term ‘coastline’ has the same meaning as
17 the term ‘coast line’ as defined in section 2(c) of the Sub-
18 merged Lands Act (43 U.S.C. 1301(c)).

19 “(x) The term ‘producing State’ means an Adjacent
20 State having an Adjacent Zone containing leased tracts
21 from which OCS Receipts were derived.

22 “(y) The term ‘Neighboring State’ means a coastal
23 state having a common boundary at the coastline with the
24 Adjacent State.



1 “(z) The term ‘OCS Receipts’ means all bonus bids
2 and royalties.”.

3 **SEC. 654. DETERMINATION OF ADJACENT ZONES AND**
4 **PLANNING AREAS.**

5 Section 4(a)(2)(A) of the Outer Continental Shelf
6 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the
7 first sentence by striking “, and the President” and all
8 that follows through the end of the sentence and inserting
9 the following: “. The lines extending seaward and defining
10 each State’s Adjacent Zone, and each OCS Planning Area,
11 are as indicated on the maps for each outer Continental
12 Shelf region entitled ‘Alaska OCS Region State Adjacent
13 Zone and OCS Planning Areas’, ‘Pacific OCS Region
14 State Adjacent Zones and OCS Planning Areas’, ‘Gulf of
15 Mexico OCS Region State Adjacent Zones and OCS Plan-
16 ning Areas’, and ‘Atlantic OCS Region State Adjacent
17 Zones and OCS Planning Areas’, all of which are dated
18 September 2005 and on file in the Office of the Director,
19 Minerals Management Service.”.

20 **SEC. 655. ADMINISTRATION OF LEASING.**

21 Section 5 of the Outer Continental Shelf Lands Act
22 (43 U.S.C. 1334) is amended by adding at the end the
23 following:

24 “(k) VOLUNTARY PARTIAL RELINQUISHMENT OF A
25 LEASE.—Any lessee of a producing lease may relinquish



1 to the Secretary any portion of a lease that the owner has
2 no interest in producing and that the Secretary finds is
3 geologically prospective. In return for any such relinquish-
4 ment, the Secretary shall provide to the owner a royalty
5 incentive in accordance with regulations promulgated by
6 the Secretary to carry out this subsection. The Secretary
7 shall publish final regulations implementing this sub-
8 section within 365 days after the date of the enactment
9 of the Offshore State Options Act of 2005.

10 “(1) NATURAL GAS LEASE REGULATIONS.—Not later
11 than October 1, 2006, the Secretary shall publish a final
12 regulation that shall—

13 “(1) establish procedures for entering into nat-
14 ural gas leases;

15 “(2) ensure that natural gas leases are only
16 available for tracts on the outer Continental Shelf
17 that are wholly within 125 miles of the coastline
18 within an area withdrawn from disposition by leas-
19 ing on the day after the date of enactment of the
20 Offshore State Options Act of 2005;

21 “(3) provide that natural gas leases shall con-
22 tain the same rights and obligations established for
23 oil and gas leases, except as otherwise provided in
24 the Offshore State Options Act of 2005;



1 “(4) provide that, in reviewing the adequacy of
2 bids for natural gas leases, the value of any crude
3 oil estimated to be contained within any tract shall
4 be excluded;

5 “(5) provide that any crude oil produced from
6 a well and reinjected into the leased tract shall not
7 be subject to payment of royalty, and that the Sec-
8 retary shall consider, in setting the royalty rates for
9 a natural gas lease, the additional cost to the lessee
10 of not producing any crude oil; and

11 “(6) provide that any Federal law that applies
12 to an oil and gas lease on the outer Continental
13 Shelf shall apply to a natural gas lease unless other-
14 wise clearly inapplicable.”.

15 **SEC. 656. GRANT OF LEASES BY SECRETARY.**

16 Section 8 of the Outer Continental Shelf Lands Act
17 (43 U.S.C. 1337) is amended—

18 (1) in subsection (a)(1) by inserting after the
19 first sentence the following: “Further, the Secretary
20 may grant natural gas leases in a manner similar to
21 the granting of oil and gas leases and under the var-
22 ious bidding systems available for oil and gas
23 leases.”;

24 (2) by adding at the end of subsection (b) the
25 following: “The Secretary may issue more than one



1 lease for a given tract if each lease applies to a sepa-
2 rate and distinct range of vertical depths, horizontal
3 surface area, or a combination of the two. The Sec-
4 retary may issue regulations that the Secretary de-
5 termines are necessary to manage such leases con-
6 sistent with the purposes of this Act.”;

7 (3) in subsection (p)(2)(B)—

8 (A) by striking “27” and inserting “50”;
9 and

10 (B) by striking “15” and inserting “200”;

11 (4) by adding at the end the following:

12 “(q) NATURAL GAS LEASES.—

13 “(1) RIGHT TO PRODUCE NATURAL GAS.—A
14 lessee of a natural gas lease shall have the right to
15 produce the natural gas from a natural gas leased
16 tract if the Secretary estimates that the discovered
17 field has at least 40 percent of the economically re-
18 coverable Btu content of the field contained within
19 natural gas and such natural gas is economical to
20 produce.

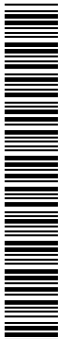
21 “(2) RIGHT TO PRODUCE CRUDE OIL.—A lessee
22 of a natural gas lease may produce crude oil from
23 the lease unless the Governor and the legislature of
24 the Adjacent State object to such production within
25 180 days after receipt of written notice from the les-



1 see of intent to produce crude oil from the lease. If
2 the leased tract is located within 50 miles of the
3 nearest point on the coastline of a Neighboring
4 State, the Governor and legislature of the Neigh-
5 boring State shall also receive such notice and have
6 the right to object to such production within 180
7 days after receipt of such notice.

8 “(3) ESTIMATES OF BTU CONTENT.—The Sec-
9 retary shall make estimates of the natural gas Btu
10 content of discovered fields on a natural gas lease
11 only after the completion of at least one exploration
12 well, the data from which has been tied to the re-
13 sults of a three-dimensional seismic survey of the
14 field. The Secretary may not require the lessee to
15 further delineate any discovered field prior to mak-
16 ing such estimates.

17 “(4) TRANSPORTATION OF CRUDE OIL.—If an
18 Adjacent State or any applicable Neighboring State
19 does not object to production of crude oil from a
20 natural gas lease, the lessee shall be permitted to
21 transport the crude oil from the leased tract through
22 Adjacent State waters, and Neighboring State wa-
23 ters if applicable, to facilities onshore in the Adja-
24 cent State, and Neighboring State if applicable, un-



1 less the lessee agreed to other arrangements with
2 the Adjacent State or Neighboring State, or both.

3 “(5) REPURCHASE OF CERTAIN NATURAL GAS
4 LEASES.—Upon request of the lessee and certifi-
5 cation by the Secretary of the Interior that a natural
6 gas lease contains all or part of a commercial oil and
7 gas discovery that is not allowed to be produced be-
8 cause it does not meet the standard set in paragraph
9 (1), the Secretary of the Treasury shall repurchase
10 the lease by issuance of a check or electronic pay-
11 ment from OCS Receipts to the lessee in full com-
12 pensation for the repurchase. The Secretary shall re-
13 coup from the State and local governments any
14 funds previously shared with them that were derived
15 from the repurchased lease. Such recoupment shall
16 only be from the State and local governments’
17 shares of OCS receipts that are payable after the
18 date of repurchase.

19 “(6) AMOUNT OF COMPENSATION.—Repurchase
20 compensation for each lease repurchased under the
21 authority of this section shall be in the amount of
22 the lesser of the original bonus bid paid for the lease
23 or, if the lessee is not the original lessee, the com-
24 pensation paid by the current lessee to obtain its in-
25 terest in the lease. In addition, the lessee shall be



1 compensated for any expenses directly attributable
2 to the lease that the lessee incurs after acquisition
3 of its interest in the lease to be repurchased, includ-
4 ing rentals, seismic acquisition costs, drilling costs,
5 and other reasonable expenses on the lease, includ-
6 ing expenses incurred in the repurchase process, to
7 the extent that the lessee has not previously been
8 compensated by the United States for such expenses.
9 The lessee shall not be compensated for general
10 overhead expenses or employee salaries.

11 “(7) PRIORITY RIGHT TO OBTAIN FUTURE OIL
12 AND GAS LEASE.—The lessee, or a designee of the
13 lessee, of a repurchased natural gas leased tract
14 shall have the right to repurchase such tract as an
15 oil and gas lease, on a noncompetitive basis, by re-
16 paying the amount received by the lessee if the tract
17 is made available for lease under an oil and gas
18 lease within 30 years after the repurchase.

19 “(8) DEFINITION OF NATURAL GAS.—For pur-
20 poses of a natural gas lease, natural gas means nat-
21 ural gas and all substances produced in association
22 with gas, including, but not limited to, hydrocarbon
23 liquids (other than crude oil) that are obtained by
24 the condensation of hydrocarbon vapors and sepa-



1 rate out in liquid form from the produced gas
2 stream.

3 “(r) REMOVAL OF RESTRICTIONS ON JOINT BIDDING
4 IN CERTAIN AREAS OF THE OUTER CONTINENTAL
5 SHELF.—Restrictions on joint bidders shall no longer
6 apply to tracts located in the Alaska OCS Region. Such
7 restrictions shall not apply to tracts in other OCS regions
8 determined to be ‘frontier tracts’ or otherwise ‘high cost
9 tracts’ under final regulations that shall be published by
10 the Secretary by not later than 365 days after the date
11 of the enactment of the Offshore State Options Act of
12 2005.

13 “(s) CONVERSION OR REPURCHASE OF CERTAIN EX-
14 ISTING LEASES.—

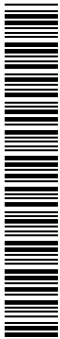
15 “(1) AUTHORIZATION TO REPURCHASE CER-
16 TAIN OIL AND GAS LEASES; OPTION OF LESSEES TO
17 CONVERT CERTAIN OIL AND GAS LEASES TO NAT-
18 URAL GAS LEASES.—

19 “(A) Effective July 1, 2012, the Secretary
20 shall establish a reasonable administrative proc-
21 ess through which the Secretary may certify for
22 repurchase undeveloped leases, issued prior to
23 January 1, 2006, within areas not available by
24 law for oil and gas leasing on and after July 1,
25 2012.



“(B) Effective 365 days after the date of enactment of the Offshore State Options Act of 2005, the lessee of an oil and gas lease within an area not available by law for oil and gas leasing on the day after the date of enactment of the Offshore State Options Act of 2005 shall have the option, without compensation, of converting its oil and gas lease that lies wholly within areas in which natural gas leasing is not allowed, within 125 miles of the coastline, to a natural gas lease upon written notice by the lessee to the Governor and the legislature of the Adjacent State and the passage of 180 days without objection by the Governor and the legislature. The lessee of such an oil and gas lease shall have the option, without compensation, of converting its lease that lies wholly or partially within areas in which natural gas leasing is allowed to a natural gas lease without the necessity of consulting with the Adjacent State. The Secretary shall establish a reasonable administrative process through which a lessee may exercise its option to convert an oil and gas lease to a natural gas lease.

“(2) REPURCHASE PROVISIONS.—



1 “(A) CANCELLATION OF LEASE.—As part
2 of the repurchase process, the Secretary may
3 cancel a lease authorized to be repurchased.

4 “(B) CONSENT OF LESSEES.—All lessees
5 holding an interest in a lease must consent to
6 the cancellation of their leasehold interests in
7 order for the lease to be repurchased.

8 “(C) WAIVER OF RIGHTS.—As a pre-
9 requisite to the repurchase of a lease, the les-
10 sees must waive any rights to bring any litiga-
11 tion against the United States related to the
12 lease.

13 “(D) PLUGGING AND ABANDONMENT.—
14 The plugging and abandonment requirements
15 for any wells located on any lease to be repur-
16 chased must be complied with by the lessees
17 prior to any repurchase.

18 “(E) COMPENSATION.—Repurchase com-
19 pensation for each lease repurchased under the
20 authority of this section shall be in the amount
21 of the lesser of the original bonus bid paid for
22 the lease or, if the lessee is not the original les-
23 see, the compensation paid by the current lessee
24 to obtain its interest in the lease. In addition,
25 the lessee shall be compensated for any ex-



1 penses directly attributable to the lease that the
2 lessee incurs after acquisition of its interest in
3 the lease to be repurchased, including rentals,
4 seismic acquisition costs, drilling costs, and
5 other reasonable expenses on the lease, includ-
6 ing expenses incurred in the repurchase process,
7 to the extent that the lessee has not previously
8 been compensated by the United States for
9 such expenses. The lessee shall not be com-
10 pensated for general overhead expenses or em-
11 ployee salaries.

12 “(F) PAYMENT.—The Secretary of the
13 Treasury shall issue a check or electronic pay-
14 ment in full compensation leases certified for
15 repurchase by the Secretary of the Interior.”;

16 (5) by striking subsection (a)(3)(A) and redес-
17 ignating the subsequent subparagraphs as subpara-
18 graphs (A) and (B), respectively;

19 (6) in subsection (a)(3)(A) (as so redesignated)
20 by striking “In the Western” and all that follows
21 through “30 minutes West longitude, the Secretary”
22 and inserting “The Secretary”; and

23 (7) effective October 1, 2010, in subsection
24 (g)—



1 (A) by striking all except paragraph (3);

2 and

3 (B) by striking the last sentence of para-

4 graph (3).

5 **SEC. 657. DISPOSITION OF RECEIPTS.**

6 Section 9 of the Outer Continental Shelf Lands Act

7 (43 U.S.C. 1338) is amended—

8 (1) by inserting “(a) IN GENERAL.—” before

9 “All rentals”;

10 (2) in subsection (a) (as so designated) by in-

11 serting “, if not paid as otherwise provided in this

12 title” after “receipts”; and

13 (3) by adding at the end the following:

14 “(b) TREATMENT OF OCS RECEIPTS FROM TRACTS

15 COMPLETELY WITHIN 125 MILES OF THE COASTLINE.—

16 “(1) DEPOSIT.—The Secretary shall deposit

17 into a separate account in the Treasury of the

18 United States all OCS Receipts derived from any

19 leased tract located completely within 125 miles of

20 the coastline that is not covered by the receipts shar-

21 ing provisions of section 8(g).

22 “(2) SHARING BEGINNING OCTOBER 1, 2010.—

23 Beginning October 1, 2010, the Secretary shall

24 share 50 percent of OCS Receipts derived after Oc-

25 tober 1, 2010, from—



1 “(A) leases located on portions of the Gulf
2 of Mexico OCS Region within 125 miles of any
3 coastline that are available for leasing under
4 the 2002–2007 5-Year OCS Oil and Gas Leas-
5 ing Program;

6 “(B) leases in production prior to January
7 1, 2006, within 125 miles of any coastline lo-
8 cated on portions of the OCS that were not
9 available for leasing under the 2002–2007 5-
10 Year OCS Oil and Gas Leasing Program; and,

11 “(C) leases issued prior to January 1,
12 2006, located in the Alaska OCS Region within
13 125 miles of the coastline.

14 “(3) SHARING BEGINNING JANUARY 1, 2006,
15 ALL OTHER OCS LEASES.—Beginning January 1,
16 2006, the Secretary shall share 50 percent of OCS
17 Receipts derived from all leases located within 125
18 miles of any coastline not included within the provi-
19 sions of paragraph (2) or the receipts sharing provi-
20 sions of section 8(g).

21 “(4) ALLOCATIONS.—The Secretary shall allo-
22 cate the OCS Receipts deposited into the separate
23 account established by paragraph (1) as follows:

24 “(A) BONUS BIDS.—Deposits derived from
25 bonus bids from a leased tract, including inter-



1 est thereon, shall be allocated at the end of
2 each fiscal year as follows:

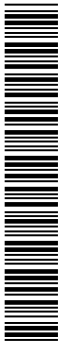
3 “(i) 35 percent to the Adjacent State.

4 “(ii) 10 percent among all producing
5 States, which shall be allocated to each
6 producing State based on the ratio that—

7 “(I) OCS Receipts derived from
8 all leased tracts on the Federal outer
9 Continental Shelf that are within 125
10 miles of any coastline, and are also
11 within 300 miles of the coastline of
12 the producing State for the fiscal
13 year; bears to

14 “(II) OCS Receipts derived from
15 all leased tracts on the Federal outer
16 Continental Shelf that are within 125
17 miles of any coastline of all producing
18 States for the fiscal year.

19 “(iii) 2.5 percent into the Treasury,
20 which shall be allocated to the Federal En-
21 ergy Natural Resources Enhancement
22 Fund established in section 664 of the Off-
23 shore State Options Act of 2005.



1 “(iv) 2 percent into the fund estab-
2 lished by section 674 of the Offshore State
3 Options Act of 2005.

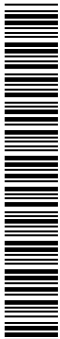
4 “(v) 0.5 percent into the fund estab-
5 lished by section 677 of the Offshore State
6 Options Act of 2005.

7 “(B) ROYALTIES.—Deposits derived from
8 royalties from a leased tract, including interest
9 thereon, shall be allocated at the end of each
10 fiscal year as follows:

11 “(i) 35 percent to the Adjacent State
12 and any other producing State with a
13 leased tract within its Adjacent Zone with-
14 in 125 miles of its coastline that generated
15 royalties during the fiscal year, if the other
16 producing State has a coastline point with-
17 in 300 miles of any portion of the leased
18 tract, in which case the amount allocated
19 to each producing State for the leased
20 tract shall be as follows:

21 “(I) One-third to the Adjacent
22 State.

23 “(II) Two-thirds to be allocated
24 to each producing State, including the
25 Adjacent State, inversely proportional



1 to the distance between the nearest
2 point on the coastline of the pro-
3 ducing State and the geographic cen-
4 ter of the leased tract.

5 “(ii) 10 percent among all producing
6 States, which shall be allocated to each
7 producing State based on the ratio that—

8 “(I) OCS Receipts derived from
9 all leased tracts on the Federal outer
10 Continental Shelf that are within 125
11 miles of any coastline, and are also
12 within 300 miles of the coastline of
13 the producing State for the fiscal
14 year; bears to

15 “(II) OCS Receipts derived from
16 all leased tracts on the Federal outer
17 Continental Shelf that are within 125
18 miles of any coastline of all producing
19 States for the fiscal year.

20 “(iii) 2.5 percent into the Treasury,
21 which shall be allocated to the Federal En-
22 ergy Natural Resources Enhancement
23 Fund established in section 664 of the Off-
24 shore State Options Act of 2005.



1 “(iv) 2 percent into the fund estab-
2 lished by section 674 of the Offshore State
3 Options Act of 2005.

4 “(v) 0.5 percent into the fund estab-
5 lished by section 677 of the Offshore State
6 Options Act of 2005

7 “(5) TRANSMISSION OF ALLOCATIONS.—

8 “(A) IN GENERAL.—Not later than 90
9 days after the end of each fiscal year, the Sec-
10 retary shall transmit—

11 “(i)(I) to each State two-thirds of
12 such State’s allocations under paragraph
13 (4)(A)(i) and (ii) and (4)(B)(i) and (ii) for
14 the immediate prior fiscal year; and

15 “(II) to coastal county-equivalent and
16 municipal political subdivisions of such
17 State a total of one-third of such State’s
18 allocations under paragraph (4)(A)(i) and
19 (ii) and (4)(B)(i) and (ii), together with all
20 accrued interest thereon;

21 “(ii) the remaining allocations under
22 paragraph (4), together with all accrued
23 interest thereon; and

24 “(iii) the remaining balance of such
25 OCS Receipts deposited for the prior fiscal

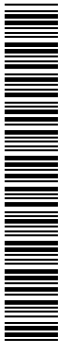


1 year, together with interest thereon, shall
2 be transmitted to the miscellaneous re-
3 cepts account of the Treasury.

4 “(B) ALLOCATIONS TO COASTAL COUNTY-
5 EQUIVALENT POLITICAL SUBDIVISIONS.—The
6 Secretary shall make an initial allocation of the
7 OCS receipts to be shared under subparagraph
8 (A)(i)(II) as follows:

9 “(i) 25 percent shall be allocated
10 based on the ratio of such coastal county-
11 equivalent political subdivision’s population
12 to the coastal population of all coastal
13 county-equivalent political subdivisions in
14 the State.

15 “(ii) 25 percent shall be allocated
16 based on the ratio of such coastal county-
17 equivalent political subdivision’s coastline
18 miles to the coastline miles of all coastal
19 county-equivalent political subdivisions in
20 the State as calculated by the Secretary,
21 and in such calculations coastal county-
22 equivalent political subdivisions without a
23 coastline shall be considered to have 50
24 percent of the average coastline miles of



1 the coastal county-equivalent political sub-
2 divisions that do have coastlines.

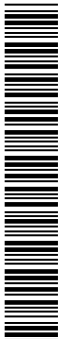
3 “(iii) 25 percent shall be allocated to
4 all coastal county-equivalent political sub-
5 divisions having a coastline point within
6 300 miles of the leased tract for which
7 OCS Receipts are being shared based on a
8 formula that allocates the funds based on
9 such coastal county-equivalent political
10 subdivision’s relative distance from the
11 leased tract.

12 “(iv) 25 percent shall be allocated to
13 all coastal county-equivalent political sub-
14 divisions having a coastline point within
15 300 miles of the leased tract for which
16 OCS Receipts are being shared based on
17 the relative level of outer Continental Shelf
18 oil and gas activities in a coastal political
19 subdivision compared to the level of outer
20 Continental Shelf activities in all coastal
21 political subdivisions in the State. The Sec-
22 retary shall define the term ‘outer Conti-
23 nental Shelf oil and gas activities’ to in-
24 clude, but not be limited to, construction of
25 vessels, drillships, and platforms involved



1 in exploration, production, and develop-
2 ment on the outer Continental Shelf; sup-
3 port and supply bases, ports, and related
4 activities; offices of geologists, geo-
5 physicists, engineers, and other profes-
6 sionals involved in support of exploration,
7 production, and development of oil and gas
8 on the outer Continental Shelf; pipelines
9 and other means of transporting oil and
10 gas production from the outer Continental
11 Shelf; and processing and refining of oil
12 and gas production from the outer Conti-
13 nental Shelf. For purposes of this subpara-
14 graph, if a coastal county-equivalent polit-
15 ical subdivision does not have a coastline,
16 its coastal point shall be the point on the
17 coastline closest to it.

18 “(C) ALLOCATIONS TO COASTAL MUNIC-
19 IPAL POLITICAL SUBDIVISIONS.—The initial al-
20 location to each coastal county-equivalent polit-
21 ical subdivision under subparagraph (B) shall
22 be further allocated to the coastal county-equiv-
23 alent political subdivision and any coastal mu-
24 nicipal political subdivisions located partially or
25 wholly within the boundaries of the coastal



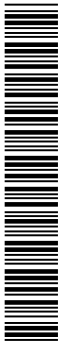
1 county-equivalent political subdivision as fol-
2 lows:

3 “(i) One-third shall be allocated to the
4 coastal county-equivalent political subdivi-
5 sion.

6 “(ii) Two-thirds shall be allocated on
7 a per capita basis to the municipal political
8 subdivisions and the county-equivalent po-
9 litical subdivision, with the allocation to
10 the latter based upon its population not in-
11 cluded within the boundaries of a munic-
12 ipal political subdivision.

13 “(6) INVESTMENT OF DEPOSITS.—Amounts de-
14 posited under this section shall be invested by the
15 Secretary of the Treasury in securities backed by the
16 full faith and credit of the United States having ma-
17 turities suitable to the needs of the account and
18 yielding the highest reasonably available interest
19 rates as determined by the Secretary of the Treas-
20 ury.

21 “(7) USE OF FUNDS.—A recipient of funds allo-
22 cated under paragraph 4(A)(i) and (ii), and
23 (4)(B)(i) and (ii) may use the funds—



1 “(A) to reduce in-State college tuition at
2 public institutions of higher learning and other-
3 wise support public education;

4 “(B) to make transportation infrastructure
5 improvements;

6 “(C) to reduce taxes;

7 “(D) to promote and provide for—

8 “(i) coastal or environmental restora-
9 tion,

10 “(ii) fish, wildlife, and marine life
11 habitat enhancement,

12 “(iii) waterways maintenance, and

13 “(iv) shore protection;

14 “(E) to improve infrastructure associated
15 with energy production activities conducted on
16 the outer Continental Shelf;

17 “(F) to fund energy demonstration
18 projects; or

19 “(G) for any other purpose as determined
20 by State law.

21 “(8) NO ACCOUNTING REQUIRED.—No recipient
22 of funds under this subsection shall be required to
23 account to the Federal Government for the expendi-
24 ture of such funds, except as otherwise may be re-
25 quired by law. Further, funds allocated under this



1 subsection to States and political subdivisions may
2 be used as matching funds for other Federal pro-
3 grams.

4 “(9) EFFECT OF FUTURE LAWS.—Enactment
5 of any future Federal statute that has the effect, as
6 determined by the Secretary, of restricting any Fed-
7 eral agency from spending appropriated funds, or
8 otherwise preventing it from fulfilling its pre-existing
9 responsibilities as of the date of enactment of the
10 statute, unless such responsibilities have been reas-
11 signed to another Federal agency by the statute with
12 no prevention of performance, to issue any permit or
13 other approval impacting on the OCS oil and gas
14 leasing program, or any lease issued thereunder, or
15 to implement any provision of the Outer Continental
16 Shelf Lands Act shall automatically prohibit any
17 sharing of OCS Receipts directly with the States,
18 and their coastal political subdivisions, for the dura-
19 tion of the restriction. The Secretary shall make the
20 determination of the existence of such restricting ef-
21 fects within 30 days of a petition by any outer Con-
22 tinental Shelf lessee or producing State.

23 “(c) TREATMENT OF OCS RECEIPTS FROM TRACTS
24 PARTIALLY OR COMPLETELY BEYOND 125 MILES OF THE
25 COASTLINE.—



1 “(1) DEPOSIT.—The Secretary shall deposit
2 into a separate account in the Treasury of the
3 United States all OCS Receipts derived from any
4 leased tract located partially or completely beyond
5 125 miles of the coastline.

6 “(2) SHARING BEGINNING OCTOBER 1, 2010.—
7 Beginning October 1, 2010, the Secretary shall
8 share 50 percent of OCS Receipts derived after Oc-
9 tober 1, 2010, from—

10 “(A) leases located on portions of the Gulf
11 of Mexico OCS Region beyond 125 miles of any
12 coastline that are available for leasing under
13 the 2002–2007 5–Year OCS Oil and Gas Leas-
14 ing Program;

15 “(B) leases in production prior to January
16 1, 2006, beyond 125 miles of any coastline lo-
17 cated on portions of the OCS that were not
18 available for leasing under the 2002–2007 5-
19 Year OCS Oil and Gas Leasing Program; and

20 “(C) leases issued prior to January 1,
21 2006, located in the Alaska OCS Region beyond
22 125 miles of the coastline.

23 “(3) SHARING BEGINNING JANUARY 1, 2006—ALL
24 OTHER OCS LEASES.—Beginning January 1, 2006,
25 the Secretary shall share 50 percent of OCS Re-



1 ceipts derived from all leases located beyond 125
2 miles of any coastline not included within the provi-
3 sions of paragraph (2).

4 “(4) ALLOCATIONS.—The Secretary shall allo-
5 cate the OCS Receipts deposited into the separate
6 account established by paragraph (1) as follows:

7 “(A) BONUS BIDS.—Deposits derived from
8 bonus bids from a leased tract, including inter-
9 est thereon, shall be allocated at the end of
10 each fiscal year as follows:

11 “(i) 35 percent to the Adjacent State.

12 “(ii) 10 percent among all producing
13 States, which shall be allocated to each
14 producing State based on the ratio that—

15 “(I) OCS Receipts derived from
16 all leased tracts on the Federal outer
17 Continental Shelf that are beyond 125
18 miles of any coastline, and are also
19 within 300 miles of the coastline of
20 the producing State for the fiscal
21 year; bears to

22 “(II) OCS Receipts derived from
23 all leased tracts on the Federal outer
24 Continental Shelf that are beyond 125



1 miles of any coastline of all producing
2 States for the fiscal year.

3 “(iii) 2.5 percent into the Treasury,
4 which shall be allocated to the Federal En-
5 ergy Natural Resources Enhancement
6 Fund established in section 664 of the Off-
7 shore State Options Act of 2005.

8 “(iv) 2 percent into the fund estab-
9 lished by section 674 of the Offshore State
10 Options Act of 2005.

11 “(v) 0.5 percent into the fund estab-
12 lished by section 677 of the Offshore State
13 Options Act of 2005.

14 “(B) ROYALTIES.—Deposits derived from
15 royalties from a leased tract, including interest
16 thereon, shall be allocated at the end of each
17 fiscal year as follows:

18 “(i) 35 percent to the Adjacent State
19 and any other producing State with a
20 leased tract within its Adjacent Zone be-
21 yond 125 miles of its coastline that gen-
22 erated royalties during the fiscal year, if
23 the other producing State has a coastline
24 point within 300 miles of any portion of
25 the leased tract, in which case the amount



1 allocated to each producing State for the
2 leased tract shall be as follows:

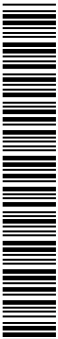
3 “(I) One-third to the Adjacent
4 State.

5 “(II) Two-thirds to be allocated
6 to each producing State, including the
7 Adjacent State, inversely proportional
8 to the distance between the nearest
9 point on the coastline of the pro-
10 ducing State and the geographic cen-
11 ter of the leased tract.

12 “(ii) 10 percent among all producing
13 States, which shall be allocated to each
14 producing State based on the ratio that—

15 “(I) OCS Receipts derived from
16 all leased tracts on the Federal outer
17 Continental Shelf that are beyond 125
18 miles of any coastline, and are also
19 within 300 miles of the coastline of
20 the producing State for the fiscal
21 year; bears to

22 “(II) OCS Receipts derived from
23 all leased tracts on the Federal outer
24 Continental Shelf that are beyond 125



1 miles of any coastline of all producing
2 States for the fiscal year.

3 “(iii) 2.5 percent into the Treasury,
4 which shall be allocated to the Federal En-
5 ergy Natural Resources Enhancement
6 Fund established in section 664 of the Off-
7 shore State Options Act of 2005.

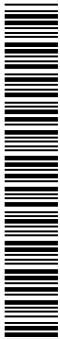
8 “(iv) 2 percent into the fund estab-
9 lished by section 674 of the Offshore State
10 Options Act of 2005.

11 “(v) 0.5 percent into the fund estab-
12 lished by section 677 of the Offshore State
13 Options Act of 2005.

14 “(5) TRANSMISSION OF ALLOCATIONS.—

15 “(A) IN GENERAL.—Not later than 90
16 days after the end of each fiscal year, the Sec-
17 retary shall transmit—

18 “(i) to each State two-thirds of such
19 State’s allocations under paragraph
20 (4)(A)(i) and (ii) and (4)(B)(i) and (ii) for
21 the immediate prior fiscal year, and (b) to
22 coastal county-equivalent and municipal
23 political subdivisions of such State a total
24 of one-third of such State’s allocations
25 under paragraph (4)(A)(i) and (ii) and



1 (4)(B)(i) and (ii), together with all accrued
2 interest thereon;

3 “(ii) the remaining allocations under
4 paragraph (4), together with all accrued
5 interest thereon; and

6 “(iii) the remaining balance of such
7 OCS Receipts deposited for the prior fiscal
8 year, together with interest thereon, shall
9 be transmitted to the miscellaneous re-
10 cepts account of the Treasury.

11 “(B) ALLOCATIONS TO COASTAL COUNTY-
12 EQUIVALENT POLITICAL SUBDIVISIONS.—The
13 Secretary shall make an initial allocation of the
14 OCS Receipts to be shared under part (b) of
15 clause (i) of subparagraph (A) as follows:

16 “(i) 25 percent shall be allocated
17 based on the ratio of such coastal county-
18 equivalent political subdivision’s population
19 to the coastal population of all coastal
20 county-equivalent political subdivisions in
21 the State.

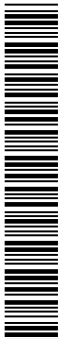
22 “(ii) 25 percent shall be allocated
23 based on the ratio of such coastal county-
24 equivalent political subdivision’s coastline
25 miles to the coastline miles of all coastal



1 county-equivalent political subdivisions in
2 the State as calculated by the Secretary,
3 and in such calculations coastal county-
4 equivalent political subdivisions without a
5 coastline shall be considered to have 50
6 percent of the average coastline miles of
7 the coastal county-equivalent political sub-
8 divisions that do have coastlines.

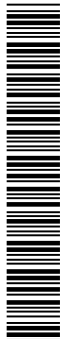
9 “(iii) 25 percent shall be allocated to
10 all coastal county-equivalent political sub-
11 divisions having a coastline point within
12 300 miles of the leased tract for which
13 OCS Receipts are being shared based on a
14 formula that allocates the funds based on
15 such coastal county-equivalent political
16 subdivision’s relative distance from the
17 leased tract.

18 “(iv) 25 percent shall be allocated to
19 all coastal county-equivalent political sub-
20 divisions having a coastline point within
21 300 miles of the leased tract for which
22 OCS Receipts are being shared based on
23 the relative level of outer Continental Shelf
24 oil and gas activities in a coastal political
25 subdivision compared to the level of outer



1 Continental Shelf activities in all coastal
2 political subdivisions in the State. The Sec-
3 retary shall define the term ‘outer Conti-
4 nental Shelf oil and gas activities’ to in-
5 clude, but not be limited to, construction of
6 vessels, drillships, and platforms involved
7 in exploration, production, and develop-
8 ment on the outer Continental Shelf; sup-
9 port and supply bases, ports, and related
10 activities; offices of geologists, geo-
11 physicists, engineers, and other profes-
12 sionals involved in support of exploration,
13 production, and development of oil and gas
14 on the outer Continental Shelf; pipelines
15 and other means of transporting oil and
16 gas production from the outer Continental
17 Shelf; and processing and refining of oil
18 and gas production from the outer Conti-
19 nental Shelf. For purposes of this subpara-
20 graph, if a coastal county-equivalent polit-
21 ical subdivision does not have a coastline,
22 its coastal point shall be the point on the
23 coastline closest to it.

24 “(C) ALLOCATIONS TO COASTAL MUNIC-
25 IPAL POLITICAL SUBDIVISIONS.—The initial al-

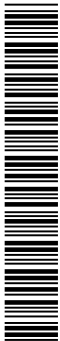


1 location to each coastal county-equivalent polit-
2 ical subdivision under subparagraph (B) shall
3 be further allocated to the coastal county-equiv-
4 alent political subdivision and any coastal mu-
5 nicipal political subdivisions located partially or
6 wholly within the boundaries of the coastal
7 county-equivalent political subdivision as fol-
8 lows:

9 “(i) One-third shall be allocated to the
10 coastal county-equivalent political subdivi-
11 sion.

12 “(ii) Two-thirds shall be allocated on
13 a per capita basis to the municipal political
14 subdivisions and the county-equivalent po-
15 litical subdivision, with the allocation to
16 the latter based upon its population not in-
17 cluded within the boundaries of a munic-
18 ipal political subdivision.

19 “(6) INVESTMENT OF DEPOSITS.—Amounts de-
20 posited under this section shall be invested by the
21 Secretary of the Treasury in securities backed by the
22 full faith and credit of the United States having ma-
23 turities suitable to the needs of the account and
24 yielding the highest reasonably available interest



1 rates as determined by the Secretary of the Treas-
2 ury.

3 “(7) USE OF FUNDS.—A recipient of funds allo-
4 cated under paragraph 4(A)(i) and (ii), and
5 (4)(B)(i) and (ii) may use the funds—

6 “(A) to reduce in-State college tuition at
7 public institutions of higher learning and other-
8 wise support public education;

9 “(B) to make transportation infrastructure
10 improvements;

11 “(C) to reduce taxes;

12 “(D) to promote and provide for—

13 “(i) coastal or environmental restora-
14 tion;

15 “(ii) fish, wildlife, and marine life
16 habitat enhancement;

17 “(iii) waterways maintenance; and

18 “(iv) shore protection;

19 “(E) to improve infrastructure associated
20 with energy production activities conducted on
21 the outer Continental Shelf;

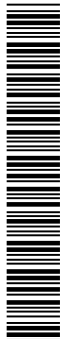
22 “(F) to fund energy demonstration
23 projects; or

24 “(G) for any other purpose as determined
25 by State law.



1 “(8) NO ACCOUNTING REQUIRED.—No recipient
2 of funds under this subsection shall be required to
3 account to the Federal Government for the expendi-
4 ture of such funds, except as otherwise may be re-
5 quired by law. Further, funds allocated under this
6 subsection to States and political subdivisions may
7 be used as matching funds for other Federal pro-
8 grams.

9 “(9) EFFECT OF FUTURE LAWS.—Enactment
10 of any future Federal statute that has the effect, as
11 determined by the Secretary, of restricting any Fed-
12 eral agency from spending appropriated funds, or
13 otherwise preventing it from fulfilling its pre-existing
14 responsibilities as of the date of enactment of the
15 statute, unless such responsibilities have been reas-
16 signed to another Federal agency by the statute with
17 no prevention of performance, to issue any permit or
18 other approval impacting on the OCS oil and gas
19 leasing program, or any lease issued thereunder, or
20 to implement any provision of the Outer Continental
21 Shelf Lands Act shall automatically prohibit any
22 sharing of OCS Receipts directly with the States,
23 and their coastal political subdivisions, for the dura-
24 tion of the restriction. The Secretary shall make the
25 determination of the existence of such restricting ef-



1 fects within 30 days of a petition by any outer Con-
2 tinental Shelf lessee or producing State.

3 “(d) DEFINITIONS.—In this section—

4 “(1) COASTAL COUNTY-EQUIVALENT POLITICAL
5 SUBDIVISION.—The term ‘coastal county-equivalent
6 political subdivision’ means a political jurisdiction
7 immediately below the level of State government, in-
8 cluding a county, parish, borough in Alaska, inde-
9 pendent municipality not part of a county, parish, or
10 borough in Alaska, or other equivalent subdivision of
11 a coastal State, which lies within the coastal zone.

12 “(2) COASTAL MUNICIPAL POLITICAL SUBDIVI-
13 SION.—The term ‘coastal municipal political subdivi-
14 sion’ means a municipality incorporated under the
15 laws of its State located within and part of a county,
16 parish, borough in Alaska, or other equivalent sub-
17 division of a State, all or part of which coastal mu-
18 nicipal political subdivision lies within the coastal
19 zone.

20 “(3) COASTAL POPULATION.—The term ‘coastal
21 population’ means the population of all coastal coun-
22 ty-equivalent political subdivisions, as determined by
23 the most recent official data of the Census Bureau.

24 “(4) COASTAL ZONE.—The term ‘coastal zone’
25 means that portion of a coastal State, including the



1 entire territory of any coastal county-equivalent po-
2 litical subdivision at least a part of which lies, within
3 75 miles landward from the coastline.”.

4 **SEC. 658. REVIEW OF OUTER CONTINENTAL SHELF EXPLO-**
5 **RATION PLANS.**

6 Subsections (c) and (d) of section 11 of the Outer
7 Continental Shelf Lands Act (43 U.S.C. 1340) are amend-
8 ed to read as follows:

9 “(c) PLAN REVIEW; PLAN PROVISIONS.—

10 “(1) Except as otherwise provided in this Act,
11 prior to commencing exploration pursuant to any oil
12 and gas lease issued or maintained under this Act,
13 the holder thereof shall submit an exploration plan
14 (hereinafter in this section referred to as a ‘plan’) to
15 the Secretary for review which shall include all infor-
16 mation and documentation required under para-
17 graphs (2) and (3). The Secretary shall review the
18 plan for completeness within 10 days of submission.
19 If the Secretary finds that the plan is not complete,
20 the Secretary shall notify the lessee with a detailed
21 explanation and require such modifications of such
22 plan as are necessary to achieve completeness. The
23 Secretary shall have 10 days to review a modified
24 plan for completeness. Such plan may apply to more
25 than one lease held by a lessee in any one region of



1 the outer Continental Shelf, or by a group of lessees
2 acting under a unitization, pooling, or drilling agree-
3 ment, and the lessee shall certify that such plan is
4 consistent with the terms of the lease and is con-
5 sistent with all statutory and regulatory require-
6 ments in effect on the date of issuance of the lease.
7 The Secretary shall have 30 days from the date the
8 plan is deemed complete to conduct a review of the
9 plan. If the Secretary finds the plan is not con-
10 sistent with the lease and all such statutory and reg-
11 ulatory requirements, the Secretary shall notify the
12 lessee with a detailed explanation of such modifica-
13 tions of such plan as are necessary to achieve com-
14 pliance. The Secretary shall have 30 days to review
15 any modified plan submitted by the lessee. The les-
16 see shall not take any action under the exploration
17 plan within the 30-day review period, or thereafter
18 until the plan has been modified to achieve compli-
19 ance as so notified.

20 “(2) An exploration plan submitted under this
21 subsection shall include, in the degree of detail
22 which the Secretary may by regulation require—

23 “(A) a schedule of anticipated exploration
24 activities to be undertaken;



1 “(B) a description of equipment to be used
2 for such activities;

3 “(C) the general location of each well to be
4 drilled; and

5 “(D) such other information deemed perti-
6 nent by the Secretary.

7 “(3) The Secretary may, by regulation, require
8 that such plan be accompanied by a general state-
9 ment of development and production intentions
10 which shall be for planning purposes only and which
11 shall not be binding on any party.

12 “(d) PLAN REVISIONS; CONDUCT OF EXPLORATION
13 ACTIVITIES.—

14 “(1) If a significant revision of an exploration
15 plan under this subsection is submitted to the Sec-
16 retary, the process to be used for the review of such
17 revision shall be the same as set forth in subsection
18 (c) of this section.

19 “(2) All exploration activities pursuant to any
20 lease shall be conducted in accordance with an explo-
21 ration plan or a revised plan which has been sub-
22 mitted to and reviewed by the Secretary.”.

23 **SEC. 659. RESERVATION OF LANDS AND RIGHTS.**

24 Section 12 of the Outer Continental Shelf Lands Act
25 (43 U.S.C. 1341) is amended—



1 (1) in subsection (a) by adding at the end the
2 following: “The President may partially or com-
3 pletely revise or revoke any prior withdrawal. With-
4 drawals may be for a term not to exceed 10 years.
5 To the maximum extent practicable, as determined
6 by the Secretary, geologically prospective areas of
7 the outer Continental Shelf shall not be withdrawn
8 from leasing.”;

9 (2) by adding at the end the following:

10 “(g) OPTION TO PETITION FOR LEASING WITHIN
11 CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—

12 “(1) PROHIBITION AGAINST LEASING.—Except
13 as otherwise provided in this subsection, prior to
14 June 30, 2012, the Secretary shall not offer for leas-
15 ing any area withdrawn from disposition by leasing
16 in the Atlantic OCS Region or the Pacific OCS Re-
17 gion, or the Gulf of Mexico OCS Region Eastern
18 Planning Area, as depicted on the map referred to
19 within this paragraph, under the ‘Memorandum on
20 Withdrawal of Certain Areas of the United States
21 Outer Continental Shelf from Leasing Disposition’,
22 34 Weekly Comp. Pres. Doc. 1111, dated June 12,
23 1998, or any area not withdrawn under that Memo-
24 randum that is included within the Gulf of Mexico
25 OCS Region Eastern Planning Area as indicated on



1 the map entitled ‘Gulf of Mexico OCS Region State
2 Adjacent Zones and OCS Planning Areas’ or within
3 the Florida Straits Planning Area as indicated on
4 the map entitled ‘Atlantic OCS Region State Adja-
5 cent Zones and OCS Planning Areas’, both of which
6 are dated September 2005 and on file in the Office
7 of the Director, Minerals Management Service.

8 “(2) REVOCATION OF WITHDRAWAL.—The pro-
9 visions of the ‘Memorandum on Withdrawal of Cer-
10 tain Areas of the United States Outer Continental
11 Shelf from Leasing Disposition’, 34 Weekly Comp.
12 Pres. Doc. 1111, dated June 12, 1998, are hereby
13 revoked and are no longer in effect regarding any
14 areas included within the Gulf of Mexico OCS Re-
15 gion Central Planning Area as indicated on the map
16 entitled ‘Gulf of Mexico OCS Region State Adjacent
17 Zones and OCS Planning Areas’ dated September
18 2005 and on file in the Office of the Director, Min-
19 erals Management Service. The 2002–2007 5-Year
20 Outer Continental Shelf Oil and Gas Leasing Pro-
21 gram is hereby amended to include the areas added
22 to the Central Gulf of Mexico OCS Planning Area
23 by this Act to the extent that such areas were in-
24 cluded within the original boundaries of proposed
25 Lease Sale 181. Such additional areas shall be in-



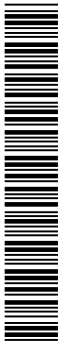
1 cluded within the first Central Gulf of Mexico Plan-
2 ning Area lease sale to be held more than 90 days
3 after the enactment of this paragraph, and annually
4 thereafter. The Final Environmental Impact State-
5 ment prepared for this area for Lease Sale 181 shall
6 be deemed sufficient for all purposes for each lease
7 sale in which such area is offered for lease during
8 the 2002–2007 5-Year Outer Continental Shelf Oil
9 and Gas Leasing Program without need for sup-
10 plementation.

11 “(3) PETITION FOR LEASING.—

12 “(A) IN GENERAL.—The Governor of the
13 State, upon concurrence of its legislature, may
14 submit to the Secretary a petition requesting
15 that the Secretary make available any area that
16 is within the State’s Adjacent Zone included
17 within the provisions of paragraph (1) and that
18 (i) is greater than 25 miles from any point on
19 the coastline of a Neighboring State for the
20 conduct of offshore leasing, pre-leasing, and re-
21 lated activities with respect to natural gas leas-
22 ing; or (ii) is greater than 50 miles from any
23 point on the coastline of a Neighboring State
24 for the conduct of offshore leasing, pre-leasing,
25 and related activities with respect to oil and gas



1 leasing. The Adjacent State may also petition
2 for leasing any other area within its Adjacent
3 Zone if leasing is allowed in the similar area of
4 the Adjacent Zone of the applicable Neigh-
5 boring State, or if not allowed, if the Neigh-
6 boring State, acting through its Governor, ex-
7 presses its concurrence with the petition. The
8 Secretary shall only consider such a petition
9 upon making a finding that leasing is allowed
10 in the similar area of the Adjacent Zone of the
11 applicable Neighboring State or upon receipt of
12 the concurrence of the Neighboring State. The
13 date of receipt by the Secretary of such concur-
14 rence by the Neighboring State shall constitute
15 the date of receipt of the petition for that area
16 for which the concurrence applies. A petition
17 for leasing any part of the Alabama Adjacent
18 Zone that is a part of the Gulf of Mexico East-
19 ern Planning Area, as indicated on the map en-
20 titled 'Gulf of Mexico OCS Region State Adja-
21 cent Zones and OCS Planning Areas' which is
22 dated September 2005 and on file in the Office
23 of the Director, Minerals Management Service,
24 shall require the concurrence of both Alabama
25 and Florida.



1 “(B) LIMITATIONS ON LEASING.—In its
2 petition, a State with an Adjacent Zone that
3 contains leased tracts may condition new leas-
4 ing for tracts within 25 miles of the coastline
5 by—

6 “(i) requiring a net reduction in the
7 number of production platforms;

8 “(ii) requiring a net increase in the
9 average distance of production platforms
10 from the coastline;

11 “(iii) limiting permanent surface occu-
12 pancy on new leases to areas that are more
13 than 10 miles from the coastline;

14 “(iv) limiting some tracts to being
15 produced from shore or from platforms lo-
16 cated on other tracts; or

17 “(v) other conditions that the Adja-
18 cent State may deem appropriate as long
19 as the Secretary does not determine that
20 production is made economically or tech-
21 nically impracticable or otherwise impos-
22 sible.

23 “(C) ACTION BY SECRETARY.—Not later
24 than 90 days after receipt of a petition under
25 subparagraph (A), the Secretary shall approve



1 the petition, unless the Secretary determines
2 that leasing the area would probably cause seri-
3 ous harm or damage to the marine resources of
4 the State's Adjacent Zone. Prior to approving
5 the petition, the Secretary shall complete an en-
6 vironmental assessment that documents the an-
7 ticipated environmental effects of leasing in the
8 area included within the scope of the petition.

9 “(D) FAILURE TO ACT.—If the Secretary
10 fails to approve or deny a petition in accordance
11 with subparagraph (C) the petition shall be con-
12 sidered to be approved 90 days after receipt of
13 the petition.

14 “(E) AMENDMENT OF THE 5-YEAR LEAS-
15 ING PROGRAM.—Notwithstanding section 18,
16 within 180 days of the approval of a petition
17 under subparagraph (C) or (D), the Secretary
18 shall amend the current 5-Year Outer Conti-
19 nental Shelf Oil and Gas Leasing Program to
20 include a lease sale or sales for the entire areas
21 covered by the approved petition, unless there
22 are, from the date of approval, fewer than 12
23 months remaining in the current 5-Year Leas-
24 ing Program in which case the Secretary shall
25 include the areas covered by the approved peti-



1 tion within lease sales under the next 5-Year
2 Leasing Program. For purposes of amending
3 the 5-Year Program in accordance with this
4 section, further consultations with States shall
5 not be required. The environmental assessment
6 performed under the provisions of the National
7 Environmental Policy Act of 1969 to assess the
8 effects of approving the petition shall be suffi-
9 cient to amend the 5-Year Leasing Program.

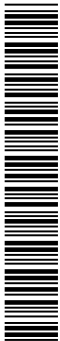
10 “(h) OPTION TO PETITION FOR EXTENSION OF
11 WITHDRAWAL FROM LEASING WITHIN CERTAIN AREAS
12 OF THE OUTER CONTINENTAL SHELF.—

13 “(1) IN GENERAL.—The Governor of the State,
14 upon the concurrence of its legislature, may submit
15 to the Secretary petitions requesting that the Sec-
16 retary extend for a period of time of up to 5 years
17 for each petition the withdrawal from leasing for all
18 or part of any area within the State’s Adjacent Zone
19 within 125 miles of the coastline that is subject to
20 subsection (g)(1). A State may petition multiple
21 times for any particular area but not more than
22 once per calendar year for any particular area. A
23 State must submit separate petitions, with separate
24 votes by its legislature, for areas within 50 miles of
25 the coastline, areas more than 50 miles but not ex-



1 ceeding 100 miles from the coastline, and areas ex-
2 ceeding 100 miles but not exceeding 125 miles from
3 the coastline. The Secretary shall not grant a peti-
4 tion from a State that extends the remaining period
5 of a withdrawal of an area from leasing for a total
6 of more than 10 years. A petition of the State may
7 apply to either oil and gas leasing or natural gas
8 leasing, or both, and may request some areas to be
9 withdrawn from all leasing and some areas only
10 withdrawn from one type of leasing. A petition for
11 extending the withdrawal from leasing of any part of
12 the Alabama Adjacent Zone that is a part of the
13 Gulf of Mexico OCS Region Eastern Planning Area,
14 as indicated on the map entitled ‘Gulf of Mexico
15 OCS Region State Adjacent Zones and OCS Plan-
16 ning Areas’ which is dated September 2005 and on
17 file in the Office of the Director, Minerals Manage-
18 ment Service, may be made by either Alabama or
19 Florida.

20 “(2) ACTION BY SECRETARY.—Not later than
21 90 days after receipt of a petition under paragraph
22 (1), the Secretary shall approve the petition, unless
23 the Secretary determines that extending the with-
24 drawal from leasing would probably cause serious
25 harm or damage to the marine resources of the



1 State's Adjacent Zone. The Secretary shall perform
2 an environmental assessment under the provisions of
3 the National Environmental Policy Act of 1969 to
4 assess the effects of approving the petition.

5 “(3) FAILURE TO ACT.—If the Secretary fails
6 to approve or deny a petition in accordance with
7 paragraph (2) the petition shall be considered to be
8 approved 90 days after receipt of the petition.”.

9 **SEC. 660. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

10 Section 18 of the Outer Continental Shelf Lands Act
11 (43 U.S.C. 1344) is amended—

12 (1) in subsection (a) by adding at the end of
13 paragraph (3) the following: “The Secretary shall, in
14 each 5-year program, include lease sales that when
15 viewed as a whole propose to offer for oil and gas
16 or natural gas leasing at least 75 percent of the
17 available unleased acreage within each OCS Plan-
18 ning Area. Available unleased acreage is that portion
19 of the outer Continental Shelf that is not under
20 lease at the time of the proposed lease sale, and has
21 not otherwise been made unavailable for leasing by
22 law.”;

23 (2) in subsection (c) by amending paragraphs
24 (1) and (2) to read as follows:

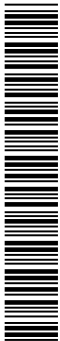


1 “(1) During the preparation of any proposed
2 leasing program under this section, the Secretary
3 shall consider and analyze leasing throughout the
4 entire Outer Continental Shelf without regard to any
5 other law affecting such leasing. During this prepa-
6 ration the Secretary shall invite and consider sugges-
7 tions from any interested Federal agency, including
8 the Attorney General, in consultation with the Fed-
9 eral Trade Commission, and from the Governor of
10 any coastal State. The Secretary may also invite or
11 consider any suggestions from the executive of any
12 local government in a coastal State that have been
13 previously submitted to the Governor of such State,
14 and from any other person. Further, the Secretary
15 shall consult with the Secretary of Defense regard-
16 ing military operational needs in the outer Conti-
17 nental Shelf. The Secretary shall work with the Sec-
18 retary of Defense to resolve any conflicts that might
19 arise regarding offering any area of the outer Conti-
20 nental Shelf for oil and gas or natural gas leasing.
21 If the Secretaries are not able to resolve all such
22 conflicts, any unresolved issues shall be elevated to
23 the President for resolution.

24 “(2) After the consideration and analysis re-
25 quired by paragraph (1), including the consideration



1 of the suggestions received from any interested Fed-
2 eral agency, the Federal Trade Commission, the
3 Governor of any coastal State, any local government
4 of a coastal State, and any other person, the Sec-
5 retary shall publish in the Federal Register a pro-
6 posed leasing program accompanied by a draft envi-
7 ronmental impact statement prepared pursuant to
8 the National Environmental Policy Act of 1969.
9 After the publishing of the proposed leasing program
10 and during the comment period provided for on the
11 draft environmental impact statement, the Secretary
12 shall submit a copy of the proposed program to the
13 Governor of each affected State for review and com-
14 ment. The Governor may solicit comments from
15 those executives of local governments in the Gov-
16 ernor's State that the Governor, in the discretion of
17 the Governor, determines will be affected by the pro-
18 posed program. If any comment by such Governor is
19 received by the Secretary at least 15 days prior to
20 submission to the Congress pursuant to paragraph
21 (3) and includes a request for any modification of
22 such proposed program, the Secretary shall reply in
23 writing, granting or denying such request in whole
24 or in part, or granting such request in such modified
25 form as the Secretary considers appropriate, and



1 stating the Secretary's reasons therefor. All such
2 correspondence between the Secretary and the Gov-
3 ernor of any affected State, together with any addi-
4 tional information and data relating thereto, shall
5 accompany such proposed program when it is sub-
6 mitted to the Congress.”; and

7 (3) by adding at the end the following:

8 “(i) PROJECTION OF STATE AND LOCAL GOVERN-
9 MENT SHARES OF OCS RECEIPTS.—Concurrent with the
10 publication of the scoping notice at the beginning of the
11 development of each 5-year Outer Continental Shelf oil
12 and gas leasing program, or as soon thereafter as possible,
13 the Secretary shall provide to each coastal State, and
14 coastal political subdivisions thereof, a best-efforts projec-
15 tion of the OCS Receipts that the Secretary expects will
16 be shared with each coastal State, and its coastal political
17 subdivisions, using the assumption that the unleased
18 tracts within the State's Adjacent Zone are fully made
19 available for leasing, including long-term projected OCS
20 Receipts. In addition, the Secretary shall include a macro-
21 economic estimate of the impact of such leasing on the
22 national economy and each State's economy, including in-
23 vestment, jobs, revenues, personal income, and other cat-
24 egories.”.



1 **SEC. 661. COORDINATION WITH ADJACENT STATES.**

2 Section 19 of the Outer Continental Shelf Lands Act
3 (43 U.S.C. 1345) is amended—

4 (1) in subsection (a) in the first sentence by in-
5 serting “, for any tract located within the Adjacent
6 State’s Adjacent Zone,” after “government”; and

7 (2) by adding the following:

8 “(f)(1) No Federal agency may permit or otherwise
9 approve, without the concurrence of the Adjacent State,
10 the construction of a crude oil or petroleum products (or
11 both) pipeline within the part of the Adjacent State’s Ad-
12 jacent Zone that is not available by law for oil and gas
13 or natural gas leasing, except that such a pipeline may
14 be approved to pass through such Adjacent Zone if at least
15 50 percent of the production projected to be carried by
16 the pipeline within its first 10 years of operation is from
17 areas of the Adjacent States Adjacent Zone.

18 “(2) No State may prohibit the construction within
19 its Adjacent Zone or its State waters of a natural gas pipe-
20 line that will transport natural gas produced from the
21 outer Continental Shelf. However, an Adjacent State may
22 prevent a proposed natural gas pipeline landing location
23 if it proposes two alternate landing locations in the Adja-
24 cent State, acceptable to the Adjacent State, located with-
25 in 50 miles on either side of the proposed landing loca-
26 tion.”.



1 **SEC. 662. ENVIRONMENTAL STUDIES.**

2 Section 20(d) of the Outer Continental Shelf Lands
3 Act (43 U.S.C. 1346) is amended—

4 (1) by inserting “(1)” after “(d)”; and

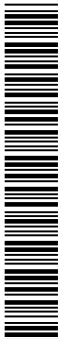
5 (2) by adding at the end the following:

6 “(2) For all programs, lease sales, leases, and actions
7 under this Act, the following shall apply regarding the ap-
8 plication of the National Environmental Policy Act of
9 1969:

10 “(A) Granting or directing lease suspensions
11 and the conduct of all preliminary activities on outer
12 Continental Shelf tracts, including seismic activities,
13 are categorically excluded from the need to prepare
14 either an environmental assessment or an environ-
15 mental impact statement, and it shall not be re-
16 quired to document why no exceptions to the cat-
17 egorical exclusion apply for activities conducted
18 under the authority of this Act.

19 “(B) The environmental impact statement de-
20 veloped in support of each 5-year oil and gas leasing
21 program provides the environmental analysis for all
22 lease sales to be conducted under the program and
23 such sales shall not be subject to further environ-
24 mental analysis.

25 “(C) Exploration plans shall not be subject to
26 any requirement to prepare an environmental impact



1 statement, and the Secretary may find that explo-
2 ration plans are eligible for categorical exclusion due
3 to the impacts already being considered within an
4 environmental impact statement or due to mitigation
5 measures included within the plan.

6 “(D) Within each OCS Planning Area, after the
7 preparation of the first development and production
8 plan environmental impact statement for a leased
9 tract within the Area, future development and pro-
10 duction plans for leased tracts within the Area shall
11 only require the preparation of an environmental as-
12 sessment unless the most recent development and
13 production plan environmental impact statement
14 within the Area was finalized more than 10 years
15 prior to the date of the approval of the plan, in
16 which case an environmental impact statement shall
17 be required.”.

18 **SEC. 663. REVIEW OF OUTER CONTINENTAL SHELF DEVEL-**
19 **OPMENT AND PRODUCTION PLANS.**

20 Section 25 of the Outer Continental Shelf Lands Act
21 (43 U.S.C. 1351(a)) is amended to read as follows:

22 **“SEC. 25. REVIEW OF OUTER CONTINENTAL SHELF DEVEL-**
23 **OPMENT AND PRODUCTION PLANS.**

24 “(a) DEVELOPMENT AND PRODUCTION PLANS; SUB-
25 MISSION TO SECRETARY; STATEMENT OF FACILITIES AND



1 OPERATION; SUBMISSION TO GOVERNORS OF AFFECTED
2 STATES AND LOCAL GOVERNMENTS.—

3 “(1) Prior to development and production pur-
4 suant to an oil and gas lease issued on or after Sep-
5 tember 18, 1978, for any area of the outer Conti-
6 nental Shelf, or issued or maintained prior to Sep-
7 tember 18, 1978, for any area of the outer Conti-
8 nental Shelf, with respect to which no oil or gas has
9 been discovered in paying quantities prior to Sep-
10 tember 18, 1978, the lessee shall submit a develop-
11 ment and production plan (hereinafter in this sec-
12 tion referred to as a ‘plan’) to the Secretary for re-
13 view.

14 “(2) A plan shall be accompanied by a state-
15 ment describing all facilities and operations, other
16 than those on the outer Continental Shelf, proposed
17 by the lessee and known by the lessee (whether or
18 not owned or operated by such lessee) that will be
19 constructed or utilized in the development and pro-
20 duction of oil or gas from the lease area, including
21 the location and site of such facilities and oper-
22 ations, the land, labor, material, and energy require-
23 ments associated with such facilities and operations,
24 and all environmental and safety safeguards to be
25 implemented.



1 “(3) Except for any privileged or proprietary
2 information (as such term is defined in regulations
3 issued by the Secretary), the Secretary, within 30
4 days after receipt of a plan and statement, shall—

5 “(A) submit such plan and statement to
6 the Governor of any affected State, and upon
7 request to the executive of any affected local
8 government; and

9 “(B) make such plan and statement avail-
10 able to any appropriate interstate regional enti-
11 ty and the public.

12 “(b) DEVELOPMENT AND PRODUCTION ACTIVITIES
13 IN ACCORDANCE WITH PLAN AS LEASE REQUIREMENT.—
14 After enactment of the Offshore State Options Act of
15 2005, no oil and gas lease may be issued pursuant to this
16 Act in any region of the outer Continental Shelf, unless
17 such lease requires that development and production ac-
18 tivities be carried out in accordance with a plan that com-
19 plies with the requirements of this section. This section
20 shall also apply to leases that do not have an approved
21 development and production plan as of the date of enact-
22 ment of the Offshore State Options Act of 2005.

23 “(c) SCOPE AND CONTENTS OF PLAN.—A plan may
24 apply to more than one oil and gas lease, and shall set



1 forth, in the degree of detail established by regulations
2 issued by the Secretary—

3 “(1) the general work to be performed;

4 “(2) a description of all facilities and operations
5 located on the outer Continental Shelf that are pro-
6 posed by the lessee or known by the lessee (whether
7 or not owned or operated by such lessee) to be di-
8 rectly related to the proposed development, including
9 the location and size of such facilities and oper-
10 ations, and the land, labor, material, and energy re-
11 quirements associated with such facilities and oper-
12 ations;

13 “(3) the environmental safeguards to be imple-
14 mented on the outer Continental Shelf and how such
15 safeguards are to be implemented;

16 “(4) all safety standards to be met and how
17 such standards are to be met;

18 “(5) an expected rate of development and pro-
19 duction and a time schedule for performance; and

20 “(6) such other relevant information as the Sec-
21 retary may by regulation require.

22 “(d) COMPLETENESS REVIEW OF THE PLAN.—

23 “(1) Prior to commencing any activity under a
24 development and production plan pursuant to any oil
25 and gas lease issued or maintained under this Act,



1 the lessee shall certify that the plan is consistent
2 with the terms of the lease and that it is consistent
3 with all statutory and regulatory requirements in ef-
4 fect on the date of issuance of the lease. The plan
5 shall include all required information and docu-
6 mentation required under subsection (c).

7 “(2) The Secretary shall review the plan for
8 completeness within 30 days of submission. If the
9 Secretary finds that the plan is not complete, the
10 Secretary shall notify the lessee with a detailed ex-
11 planation of such modifications of such plan as are
12 necessary to achieve completeness. The Secretary
13 shall have 30 days to review a modified plan for
14 completeness.

15 “(e) REVIEW FOR CONSISTENCY OF THE PLAN.—

16 “(1) After a determination that a plan is com-
17 plete, the Secretary shall have 120 days to conduct
18 a review of the plan, to ensure that it is consistent
19 with the terms of the lease, and that it is consistent
20 with all such statutory and regulatory requirements
21 applicable to the lease. If the Secretary finds that
22 the plan is not consistent, the Secretary shall notify
23 the lessee with a detailed explanation of such modi-
24 fications of such plan as are necessary to achieve
25 consistency.



1 “(2) The Secretary shall have 120 days to re-
2 view a modified plan.

3 “(3) The lessee shall not conduct any activities
4 under the plan during any 120-day review period, or
5 thereafter until the plan has been modified to
6 achieve compliance as so notified.

7 “(4) After review by the Secretary provided for
8 by this section, a lessee may operate pursuant to the
9 plan without further review or approval by the Sec-
10 retary.

11 “(f) REVIEW OF REVISION OF THE APPROVED
12 PLAN.—The lessee may submit to the Secretary any revi-
13 sion of a plan if the lessee determines that such revision
14 will lead to greater recovery of oil and natural gas, im-
15 prove the efficiency, safety, and environmental protection
16 of the recovery operation, is the only means available to
17 avoid substantial economic hardship to the lessee, or is
18 otherwise not inconsistent with the provisions of this Act,
19 to the extent such revision is consistent with protection
20 of the human, marine, and coastal environments. The
21 process to be used for the review of any such revision shall
22 be the same as that set forth in subsections (d) and (e).

23 “(g) CANCELLATION OF LEASE ON FAILURE TO SUB-
24 MIT PLAN OR COMPLY WITH A PLAN.—Whenever the
25 owner of any lease fails to submit a plan in accordance



1 with regulations issued under this section, or fails to com-
2 ply with a plan, the lease may be canceled in accordance
3 with section 5(c) and (d). Termination of a lease because
4 of failure to comply with a plan, including required modi-
5 fications or revisions, shall not entitle a lessee to any com-
6 pensation.

7 “(h) PRODUCTION AND TRANSPORTATION OF NAT-
8 URAL GAS; SUBMISSION OF PLAN TO FEDERAL ENERGY
9 REGULATORY COMMISSION; IMPACT STATEMENT.—If any
10 development and production plan submitted to the Sec-
11 retary pursuant to this section provides for the production
12 and transportation of natural gas, the lessee shall contem-
13 poraneously submit to the Federal Energy Regulatory
14 Commission that portion of such plan that relates to the
15 facilities for transportation of natural gas. The Secretary
16 and the Federal Energy Regulatory Commission shall
17 agree as to which of them shall prepare an environmental
18 impact statement pursuant to the National Environmental
19 Policy Act of 1969 (42 U.S.C. 4321 et seq.) applicable
20 to such portion of such plan, or conduct studies as to the
21 effect on the environment of implementing it. Thereafter,
22 the findings and recommendations by the agency pre-
23 paring such environmental impact statement or con-
24 ducting such studies pursuant to such agreement shall be
25 adopted by the other agency, and such other agency shall



1 not independently prepare another environmental impact
2 statement or duplicate such studies with respect to such
3 portion of such plan, but the Federal Energy Regulatory
4 Commission, in connection with its review of an applica-
5 tion for a certificate of public convenience and necessity
6 applicable to such transportation facilities pursuant to sec-
7 tion 7 of the Natural Gas Act (15 U.S.C. 717f), may pre-
8 pare such environmental studies or statement relevant to
9 certification of such transportation facilities as have not
10 been covered by an environmental impact statement or
11 studies prepared by the Secretary. The Secretary, in con-
12 sultation with the Federal Energy Regulatory Commis-
13 sion, shall promulgate rules to implement this subsection,
14 but the Federal Energy Regulatory Commission shall re-
15 tain sole authority with respect to rules and procedures
16 applicable to the filing of any application with the Com-
17 mission and to all aspects of the Commission's review of,
18 and action on, any such application.”.

19 **SEC. 664. FEDERAL ENERGY NATURAL RESOURCES EN-**
20 **HANCEMENT FUND ACT OF 2005.**

21 (a) **SHORT TITLE.**—This section may be cited as the
22 “Federal Energy Natural Resources Enhancement Fund
23 Act of 2005”.

24 (b) **FINDINGS.**—The Congress finds the following:

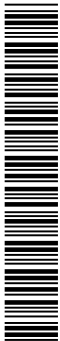


1 (1) Energy and minerals exploration, develop-
2 ment, and production on Federal onshore and off-
3 shore lands, including bio-based fuel, natural gas,
4 minerals, oil, geothermal, and power from wind,
5 waves, currents, and thermal energy, involves signifi-
6 cant outlays of funds by Federal and State wildlife,
7 fish, and natural resource management agencies for
8 environmental studies, planning, development, moni-
9 toring, and management of wildlife, fish, air, water,
10 and other natural resources.

11 (2) State wildlife, fish, and natural resource
12 management agencies are funded primarily through
13 permit and license fees paid to the States by the
14 general public to hunt and fish, and through Federal
15 excise taxes on equipment used for these activities.

16 (3) Funds generated from consumptive and rec-
17 reational uses of wildlife, fish, and other natural re-
18 sources currently are inadequate to address the nat-
19 ural resources related to energy and minerals devel-
20 opment on Federal onshore and offshore lands.

21 (4) Funds available to Federal agencies respon-
22 sible for managing Federal onshore and offshore
23 lands and Federal-trust wildlife and fish species and
24 their habitats are inadequate to address the natural



1 resources related to energy and minerals develop-
2 ment on Federal onshore and offshore lands.

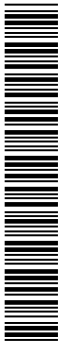
3 (5) Receipts derived from sales, bonus bids, and
4 royalties under the mineral leasing laws of the
5 United States are paid to the Treasury through the
6 Minerals Management Service of the Department of
7 the Interior.

8 (6) None of the receipts derived from sales,
9 bonus bids, and royalties under the minerals leasing
10 laws of the United States are paid to the Federal or
11 State agencies to examine, monitor, and manage
12 wildlife, fish, air, water, and other natural resources
13 related to natural gas, oil, and mineral exploration
14 and development.

15 (c) PURPOSES.—It is the purpose of this section to—

16 (1) establish a fund for the monitoring and
17 management of wildlife and fish, and their habitats,
18 and air, water, and other natural resources related
19 to energy and minerals development on Federal on-
20 shore and offshore lands;

21 (2) make available receipts derived from sales,
22 bonus bids, and royalties from onshore and offshore
23 gas, mineral, oil, and any additional form of energy
24 exploration and development under the laws of the
25 United States for the purposes of such fund;



1 (3) distribute funds from such fund each fiscal
2 year to the Secretary of the Interior and the States;
3 and

4 (4) use the distributed funds to secure the nec-
5 essary trained workforce or contractual services to
6 conduct environmental studies, planning, develop-
7 ment, monitoring, and post-development manage-
8 ment of wildlife and fish and their habitats and air,
9 water, and other natural resources that may be re-
10 lated to bio-based fuel, gas, mineral, oil, wind, or
11 other energy exploration, development, transpor-
12 tation, transmission, and associated activities on
13 Federal onshore and offshore lands, including, but
14 not limited to—

15 (A) pertinent research, surveys, and envi-
16 ronmental analyses conducted to identify any
17 impacts on wildlife, fish, air, water, and other
18 natural resources from energy and mineral ex-
19 ploration, development, production, and trans-
20 portation or transmission;

21 (B) projects to maintain, improve, or en-
22 hance wildlife and fish populations and their
23 habitats or air, water, or other natural re-
24 sources, including activities under the Endan-
25 gered Species Act of 1973;



1 (C) research, surveys, environmental anal-
2 yses, and projects that assist in managing, in-
3 cluding mitigating either onsite or offsite, or
4 both, the impacts of energy and mineral activi-
5 ties on wildlife, fish, air, water, and other nat-
6 ural resources; and

7 (D) projects to teach young people to live
8 off the land.

9 (d) DEFINITIONS.—In this section:

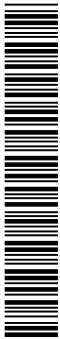
10 (1) ENHANCEMENT FUND.—The term “En-
11 hancement Fund” means the Federal Energy Nat-
12 ural Resources Enhancement Fund established by
13 subsection (e).

14 (2) STATE.—The term “State” means the State
15 government agency primarily responsible for fish
16 and wildlife trust resources within a State.

17 (e) ESTABLISHMENT AND USE OF FEDERAL ENERGY
18 NATURAL RESOURCES ENHANCEMENT FUND.—

19 (1) ENHANCEMENT FUND.—There is estab-
20 lished in the Treasury a separate account to be
21 known as the “Federal Energy Natural Resources
22 Enhancement Fund”.

23 (2) FUNDING.—Beginning with fiscal year
24 2006, the Secretary of the Treasury shall deposit in
25 the Enhancement Fund—



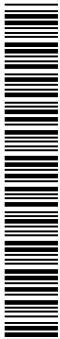
1 (A) such sums as are provided by the pro-
2 visions of section 9(b)(4)(A)(iii) and section
3 9(b)(4)(B)(iii) of the Outer Continental Shelf
4 Lands Act (43 U.S.C. 1338(b)(4)(A)(iii) and
5 (b)(4)(B)(iii)) and the provisions of section
6 9(c)(4)(A)(iii) and section 9(c)(4)(B)(iii) of the
7 Outer Continental Shelf Lands Act (43 U.S.C.
8 1338(c)(4)(A)(iii) and (c)(4)(B)(iii));

9 (B) 2.5 percent of all sums paid into the
10 Treasury under section 35 of the Mineral Leas-
11 ing Act (30 U.S.C. 191); and

12 (C) 2.5 percent of all sums paid into the
13 Treasury from other revenues derived from
14 bonus bids and royalties from other mineral
15 leasing on public lands.

16 (3) INVESTMENTS.—The Secretary of the
17 Treasury shall invest the amounts deposited under
18 paragraph (2) and all accrued interest on the
19 amounts deposited under paragraph (2) only in in-
20 terest bearing obligations of the United States or in
21 obligations guaranteed as to both principal and in-
22 terest by the United States.

23 (4) PAYMENT TO SECRETARY OF THE INTE-
24 RIOR.—

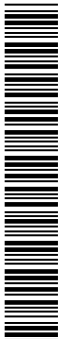


1 (A) IN GENERAL.—Beginning with fiscal
2 year 2007, and in each fiscal year thereafter,
3 one-third of amounts deposited into the En-
4 hancement Fund, together with the interest
5 thereon, shall be available, without fiscal year
6 limitations, to the Secretary of the Interior for
7 use for the purposes described in (c)(4).

8 (B) WITHDRAWALS AND TRANSFER OF
9 FUNDS.—The Secretary of the Treasury shall
10 withdraw such amounts from the Enhancement
11 Fund as the Secretary of the Interior may re-
12 quest, subject to the limitation in (A), and
13 transfer such amounts to the Secretary of the
14 Interior to be used, at the discretion of the Sec-
15 retary of the Interior, by the Minerals Manage-
16 ment Service, the Bureau of Land Manage-
17 ment, and the United States Fish and Wildlife
18 Service for use for the purposes described in
19 subsection (c)(4).

20 (5) PAYMENT TO STATES.—

21 (A) IN GENERAL.—Beginning with fiscal
22 year 2007, and in each fiscal year thereafter,
23 two-thirds of amounts deposited into the En-
24 hancement Fund, together with the interest
25 thereon, shall be available, without fiscal year

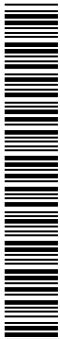


1 limitations, to the States for use for the pur-
2 poses described in (c)(4).

3 (B) WITHDRAWALS AND TRANSFER OF
4 FUNDS.—Within the first 90 days of each fiscal
5 year, the Secretary of the Treasury shall with-
6 draw amounts from the Enhancement Fund
7 and transfer such amounts to the States based
8 on the proportion of all receipts that were col-
9 lected the previous fiscal year from Federal
10 leases within the boundaries of each State and
11 each State's outer Continental Shelf Adjacent
12 Zone as determined in accordance with section
13 4(a) of the Outer Continental Shelf Lands Act
14 (43 U.S.C. 1333(a)), as amended by this Act.

15 (C) USE OF PAYMENTS BY STATE.—Each
16 State shall use the payments made under sub-
17 paragraph (B) only for carrying out projects
18 and programs for the purposes described in
19 (c)(4).

20 (D) ENCOURAGE USE OF PRIVATE FUNDS
21 BY STATE.—Each State shall use the payments
22 made under subparagraph (B) to leverage pri-
23 vate funds for carrying out projects for the pur-
24 poses described in (c)(4).



1 (f) LIMITATION ON USE.—Amounts available under
2 this section may not be used for the purchase of any inter-
3 est in land.

4 (g) REPORTS TO CONGRESS.—

5 (1) IN GENERAL.—Beginning in fiscal year
6 2008 and continuing for each fiscal year thereafter,
7 the Secretary of the Interior and each State receiv-
8 ing funds from the Enhancement Fund shall submit
9 a report to the Committee on Energy and Natural
10 Resources of the Senate and the Committee on Re-
11 sources of the House of Representatives.

12 (2) REQUIRED INFORMATION.—Reports sub-
13 mitted to the Congress by the Secretary of the Inte-
14 rior and States under this subsection shall include
15 the following information regarding expenditures
16 during the previous fiscal year:

17 (A) A summary of pertinent scientific re-
18 search and surveys conducted to identify im-
19 pacts on wildlife, fish, and other natural re-
20 sources from energy and mineral developments.

21 (B) A summary of projects planned and
22 completed to maintain, improve or enhance
23 wildlife and fish populations and their habitats
24 or other natural resources.



1 (C) A list of additional actions that assist,
2 or would assist, in managing, including miti-
3 gating either onsite or offsite, or both, the im-
4 pacts of energy and mineral development on
5 wildlife, fish, and other natural resources.

6 (D) A summary of private (non-Federal)
7 funds used to plan, conduct, and complete the
8 plans and programs identified in paragraphs
9 (2)(A) and (2)(B).

10 **SEC. 665. TERMINATION OF EFFECT OF LAWS PROHIBITING**
11 **THE SPENDING OF APPROPRIATED FUNDS**
12 **FOR CERTAIN PURPOSES.**

13 All provisions of existing Federal law prohibiting the
14 spending of appropriated funds to conduct oil and natural
15 gas leasing and preleasing activities for any area of the
16 outer Continental Shelf shall have no force or effect.

17 **SEC. 666. OUTER CONTINENTAL SHELF INCOMPATIBLE**
18 **USE.**

19 (a) IN GENERAL.—No Federal agency may permit
20 construction or operation (or both) of any facility, or des-
21 ignate or maintain a restricted transportation corridor or
22 operating area on the Federal outer Continental Shelf or
23 in State waters, that will be incompatible with, as deter-
24 mined by the Secretary of the Interior, oil and gas or nat-
25 ural gas leasing and substantially full exploration and pro-



1 duction of tracts that are geologically prospective for oil
2 or natural gas (or both), unless the facility, transportation
3 corridor, or operating area, respectively, is to be located
4 in an area of the outer Continental Shelf that is unavail-
5 able for oil and gas or natural gas leasing by operation
6 of law.

7 (b) EXCEPTIONS.—The President may grant an ex-
8 ception to subsection (a) after a finding that such excep-
9 tion is required in the national interest.

10 **SEC. 667. REPURCHASE OF CERTAIN LEASES.**

11 (a) AUTHORITY TO REPURCHASE AND CANCEL CER-
12 TAIN LEASES.—The Secretary of the Interior shall repur-
13 chase and cancel any Federal oil and gas, geothermal,
14 coal, oil shale, tar sands, or other mineral lease, whether
15 onshore or offshore, if the Secretary finds that such lease
16 qualifies for repurchase and cancellation under the regula-
17 tions authorized by this section.

18 (b) REGULATIONS.—Not later than 365 days after
19 the date of the enactment of this Act, the Secretary shall
20 publish a final regulation stating the conditions under
21 which a lease referred to in subsection (a) would qualify
22 for repurchase and cancellation, and the process to be fol-
23 lowed regarding repurchase and cancellation. Such regula-
24 tion shall include, but not be limited to, the following:



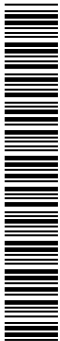
1 (1) The Secretary shall repurchase and cancel
2 a lease after written request by the lessee upon a
3 finding by the Secretary that—

4 (A) a request by the lessee for a required
5 permit or other approval complied with applica-
6 ble law, except the Coastal Zone Management
7 Act of 1972 (16 U.S.C. 1451 et seq.), and
8 terms of the lease and such permit or other ap-
9 proval was denied;

10 (B) a Federal agency failed to act on a re-
11 quest by the lessee for a required permit, other
12 approval, or administrative appeal within a reg-
13 ulatory or statutory time-frame associated with
14 the requested action, whether advisory or man-
15 datory, or if none, within 180 days; or

16 (C) a Federal agency attached a condition
17 of approval, without agreement by the lessee, to
18 a required permit or other approval if such con-
19 dition of approval was not mandated by Federal
20 statute or regulation in effect on the date of
21 lease issuance, or was not specifically allowed
22 under the terms of the lease.

23 (2) A lessee shall not be required to exhaust ad-
24 ministrative remedies regarding a permit request,



1 administrative appeal, or other required request for
2 approval for the purposes of this section.

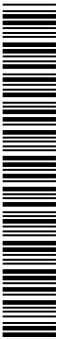
3 (3) The Secretary shall make a final agency de-
4 cision on a request by a lessee under this section
5 within 180 days of request.

6 (4) Compensation to a lessee to repurchase and
7 cancel a lease under this section shall be the amount
8 that a lessee would receive in a restitution case for
9 a material breach of contract.

10 (5) Compensation shall be in the form of a
11 check or electronic transfer from the Department of
12 the Treasury from funds deposited into miscella-
13 neous receipts under the authority of the same Act
14 that authorized the issuance of the lease being re-
15 purchased.

16 (6) Failure of the Secretary to make a final
17 agency decision on a request by a lessee under this
18 section within 180 days of request shall result in a
19 10 percent increase in the compensation due to the
20 lessee if the lease is ultimately repurchased.

21 (c) NO PREJUDICE.—This section shall not be inter-
22 preted to prejudice any other rights that the lessee would
23 have in the absence of this section.



1 **SEC. 668. OFFSITE ENVIRONMENTAL MITIGATION.**

2 Notwithstanding any other provision of law, any per-
3 son conducting activities under the Mineral Leasing Act
4 (30 U.S.C. 181 et seq.), the Geothermal Steam Act (30
5 U.S.C. 1001 et seq.), the Mineral Leasing Act for Ac-
6 quired Lands (30 U.S.C. 351 et seq.), the Weeks Act (16
7 U.S.C. 552 et seq.), the General Mining Act of 1872 (30
8 U.S.C. 22 et seq.), the Materials Act of 1947 (30 U.S.C.
9 601 et seq.), or the Outer Continental Shelf Lands Act
10 (43 U.S.C. 1331 et seq.), may in satisfying any mitigation
11 requirements associated with such activities propose miti-
12 gation measures on a site away from the area impacted
13 and the Secretary of the Interior shall accept these pro-
14 posed measures if the Secretary finds that they generally
15 achieve the purposes for which mitigation measures apper-
16 tained.

17 **SEC. 669. AMENDMENTS TO THE MINERAL LEASING ACT.**

18 Section 17(g) of the Mineral Leasing Act (30 U.S.C.
19 226(g)) is amended to read as follows:

20 “(g) REGULATION OF SURFACE-DISTURBING ACTIVI-
21 TIES.—

22 “(1) REGULATION OF SURFACE-DISTURBING
23 ACTIVITIES.—The Secretary of the Interior, or for
24 National Forest lands, the Secretary of Agriculture,
25 shall regulate all surface-disturbing activities con-
26 ducted pursuant to any lease issued under this Act,



1 and shall determine reclamation and other actions as
2 required in the interest of conservation of surface re-
3 sources.

4 “(2) SUBMISSION OF EXPLORATION PLAN; COM-
5 PLETION REVIEW; COMPLIANCE REVIEW.—

6 “(A) Prior to beginning oil and gas explo-
7 ration activities, a lessee shall submit an explo-
8 ration plan to the Secretary of the Interior for
9 review.

10 “(B) The Secretary shall review the plan
11 for completeness within 10 days of submission.

12 “(C) In the event the exploration plan is
13 determined to be incomplete, the Secretary shall
14 notify the lessee in writing and specify the
15 items or information needed to complete the ex-
16 ploration plan.

17 “(D) The Secretary shall have 10 days to
18 review any modified exploration plan submitted
19 by the lessee.

20 “(E) To be deemed complete, an explo-
21 ration plan shall include, in the degree of detail
22 to be determined by the Secretary by rule or
23 regulation—

24 “(i) a drilling plan containing a de-
25 scription of the drilling program;



1 “(ii) the surface and projected com-
2 pletion zone location;

3 “(iii) pertinent geologic data;

4 “(iv) expected hazards, and proposed
5 mitigation measures to address such haz-
6 ards;

7 “(v) a schedule of anticipated explo-
8 ration activities to be undertaken;

9 “(vi) a description of equipment to be
10 used for such activities;

11 “(vii) a certification from the lessee
12 stating that the exploration plan complies
13 with all lease, regulatory and statutory re-
14 quirements in effect on the date of the
15 issuance of the lease;

16 “(viii) evidence that the lessee has se-
17 cured an adequate bond, surety, or other
18 financial arrangement prior to commence-
19 ment of any surface disturbing activity;

20 “(ix) a plan that details the complete
21 and timely reclamation of the lease tract;
22 and

23 “(x) such other relevant information
24 as the Secretary may by regulation require.



1 “(F) Upon a determination that the explo-
2 ration plan is complete, the Secretary shall have
3 30 days from the date the plan is deemed com-
4 plete to conduct a review of the plan.

5 “(G) If the Secretary finds the exploration
6 plan is not consistent with all statutory and
7 regulatory requirements in effect on the date of
8 issuance of the lease, the Secretary shall notify
9 the lessee with a detailed explanation of such
10 modifications of the exploration plan as are nec-
11 essary to achieve compliance.

12 “(H) The lessee shall no take any action
13 under the exploration plan within a 30 day re-
14 view period, or thereafter until the plan has
15 been modified to achieve compliance as so noti-
16 fied.

17 “(I) After review by the Secretary provided
18 by this subsection, a lessee may operate pursu-
19 ant to the plan without further review or ap-
20 proval by the Secretary.

21 “(2) PLAN REVISIONS; CONDUCT OF EXPLO-
22 RATION ACTIVITIES.—

23 “(A) If a significant revision of an explo-
24 ration plan under this subsection is submitted
25 to the Secretary, the process to be used for the



1 review of such revision shall be the same as set
2 forth in paragraph (1) of this subsection.

3 “(B) All exploration activities pursuant to
4 any lease shall be conducted in accordance with
5 an exploration plan that has been submitted to
6 and reviewed by the Secretary or a revision of
7 such plan.

8 “(3) SUBMISSION OF DEVELOPMENT AND PRO-
9 Duction PLAN; COMPLETENESS REVIEW; COMPLI-
10 ANCE REVIEW.—

11 “(A) Prior to beginning oil and gas devel-
12 opment and production activities, a lessee shall
13 submit a development and exploration plan to
14 the Secretary of the Interior. Upon submission,
15 such plans shall be subject to a review for com-
16 pleteness.

17 “(B) The Secretary shall review the plan
18 for completeness within 30 days of submission.

19 “(C) In the event a development and pro-
20 duction plan is determined to be incomplete, the
21 Secretary shall notify the lessee in writing and
22 specify the items or information needed to com-
23 plete the plan.

24 “(D) The Secretary shall have 30 days to
25 review for completeness any modified develop-



1 ment and production plan submitted by the les-
2 see.

3 “(E) To be deemed complete, a develop-
4 ment and production plan shall include, in the
5 degree of detail to be determined by the Sec-
6 retary by rule or regulation—

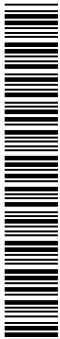
7 “(i) a drilling plan containing a de-
8 scription of the drilling program;

9 “(ii) the surface and projected com-
10 pletion zone location;

11 “(iii) pertinent geologic data;

12 “(iv) expected hazards, and proposed
13 mitigation measures to address such haz-
14 ards;

15 “(v) a statement describing all facili-
16 ties and operations proposed by the lessee
17 and known by the lessee (whether or not
18 owned or operated by such lessee) that
19 shall be constructed or utilized in the de-
20 velopment and production of oil or gas
21 from the leases areas, including the loca-
22 tion and site of such facilities and oper-
23 ations, the land, labor, material, and en-
24 ergy requirements associated with such fa-
25 cilities and operations;



1 “(vi) the general work to be per-
2 formed;

3 “(vii) the environmental safeguards to
4 be implemented in connection with the de-
5 velopment and production and how such
6 safeguards are to be implemented;

7 “(viii) all safety standards to be met
8 and how such standards are to be met;

9 “(ix) an expected rate of development
10 and production and a time schedule for
11 performance;

12 “(x) a certification from the lessee
13 stating that the development and produc-
14 tion plan complies with all lease, regu-
15 latory, and statutory requirements in effect
16 on the date of issuance of the lease;

17 “(xi) evidence that the lessee has se-
18 cured an adequate bond, surety, or other
19 financial arrangement prior to commence-
20 ment of any surface disturbing activity;

21 “(xii) a plan that details the complete
22 and timely reclamation of the lease tract;
23 and

24 “(xiii) such other relevant information
25 as the Secretary may by regulation require.



1 “(F) Upon a determination that the devel-
2 opment and production plan is complete, the
3 Secretary shall have 120 days from the date the
4 plan is deemed complete to conduct a review of
5 the plan.

6 “(G) If the Secretary finds the develop-
7 ment and production plan is not consistent with
8 all statutory and regulatory requirements in ef-
9 fect on the date of issuance of the lease, the
10 Secretary shall notify the lessee with a detailed
11 explanation of such modifications of the devel-
12 opment and production plan as are necessary to
13 achieve compliance.

14 “(H) The lessee shall not take any action
15 under the exploration plan within a 120 day re-
16 view period, or thereafter until the plan has
17 been modified to achieve compliance as so noti-
18 fied.

19 “(4) PLAN REVISIONS; CONDUCT OF DEVELOP-
20 MENT AND PRODUCTION ACTIVITIES.—

21 “(A) If a significant revision of a develop-
22 ment and production plan under this subsection
23 is submitted to the Secretary, the process to be
24 used for the review of such revision shall be the



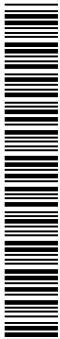
1 same as set forth in paragraph (3) of this sub-
2 section.

3 “(B) All development and production ac-
4 tivities pursuant to any lease shall be conducted
5 in accordance with an exploration plan that has
6 been submitted to and reviewed by the Sec-
7 retary or a revision of such plan.

8 “(5) CANCELLATION OF LEASE ON FAILURE TO
9 SUBMIT PLAN OR COMPLY WITH APPROVED PLAN.—
10 Whenever the owner of any lease fails to submit a
11 plan in accordance with regulations issued under
12 this section, or fails to comply with a plan, the lease
13 may be canceled in accordance with section 31. Ter-
14 mination of a lease because of failure to comply with
15 a plan, including required modifications or revisions,
16 shall not entitle a lessee to any compensation.”.

17 **SEC. 670. CREATION OF THE MINERAL LEASING OPER-**
18 **ATIONS FUND.**

19 There is established in the Treasury a separate ac-
20 count to be known as the “Mineral Leasing Operations
21 Fund”. Notwithstanding any provisions of the Mineral
22 Leasing Act (30 U.S.C. 181 et seq.), the Geothermal
23 Steam Act (30 U.S.C. 1001 et seq.), the Mineral Leasing
24 Act for Acquired Lands (30 U.S.C. 351 et seq.), the
25 Weeks Act (16 U.S.C. 552 et seq.), the General Mining



1 Act of 1872 (30 U.S.C. 22 et seq.), the Materials Act of
2 1947 (30 U.S.C. 601 et seq.), the Federal Oil and Gas
3 Royalty Management Act of 1982 (30 U.S.C. 1701 et
4 seq.) or the Outer Continental Shelf Lands Act (43 U.S.C.
5 1331 et seq.), or any other law, all monies, except for
6 bonus bids and royalties, derived from the leasing of min-
7 erals on Federal lands or waters, but not including Indian
8 lands, shall be deposited into the Fund and be available
9 to the Secretary of the Interior for expenditure, without
10 further appropriation and without fiscal year limitation,
11 to cover expenses associated with mineral leasing, includ-
12 ing but not limited to the development of leasing pro-
13 grams, resource management plans, resource assessments,
14 environmental studies, and operational activities.

15 **SEC. 671. MINERALS MANAGEMENT SERVICE.**

16 The bureau known as the “Minerals Management
17 Service” in the Department of the Interior shall be known
18 as the “National Offshore Energy and Royalty Service”.
19 The Director of such shall be assisted by only one deputy
20 director, who shall be a non-career employee within the
21 Senior Executive Service.



1 **SEC. 672. AUTHORITY TO USE DECOMMISSIONED OFF-**
2 **SHORE OIL AND GAS PLATFORMS AND**
3 **OTHER FACILITIES FOR MARICULTURE, ARTI-**
4 **FICIAL REEF, SCIENTIFIC RESEARCH, OR**
5 **OTHER USES.**

6 (a) SHORT TITLE.—This section may be cited as the
7 “Rigs to Reefs Act of 2005”.

8 (b) IN GENERAL.—The Outer Continental Shelf
9 Lands Act (43 U.S.C. 1301 et seq.) is amended by insert-
10 ing after section 9 the following:

11 **“SEC. 10. USE OF DECOMMISSIONED OFFSHORE OIL AND**
12 **GAS PLATFORMS AND OTHER FACILITIES**
13 **FOR MARICULTURE, ARTIFICIAL REEF, SCI-**
14 **ENTIFIC RESEARCH, OR OTHER USES.**

15 “(a) IN GENERAL.—The Secretary shall issue regula-
16 tions under which the Secretary may authorize use of an
17 offshore oil and gas platform or other facility that is de-
18 commissioned from service for oil and gas purposes for
19 culture of marine organisms, an artificial reef, scientific
20 research, or any other use authorized under section 8(p).

21 “(b) TRANSFER REQUIREMENTS.—The Secretary
22 shall not allow the transfer of a decommissioned offshore
23 oil and gas platform or other facility to another person
24 unless the Secretary is satisfied that the transferee is suf-
25 ficiently bonded, endowed, or otherwise financially able to
26 fulfill its obligations, including but not limited to—



1 “(1) ongoing maintenance of the platform or
2 other facility;

3 “(2) any liability obligations that might arise;

4 “(3) removal of the platform or other facility if
5 determined necessary by the Secretary; and

6 “(4) any other requirements and obligations
7 that the Secretary may deem appropriate by regula-
8 tion.

9 “(c) PLUGGING AND ABANDONMENT.—The Sec-
10 retary shall ensure that obligations of a lessee regarding
11 the plugging and abandonment of wells are unaffected by
12 implementation of this section.

13 “(d) POTENTIAL TO PETITION TO OPT-OUT OF REG-
14 ULATIONS.—An Adjacent State acting through a resolu-
15 tion of its legislature, with concurrence of its Governor,
16 may petition to opt-out of the application of regulations
17 promulgated under this section to platforms and other fa-
18 cilities located in the area of its Adjacent Zone within 25
19 miles of the coastline. The Secretary is authorized to ex-
20 cept such area from the application of such regulations,
21 and shall approve such petition, unless the Secretary finds
22 that approving the petition would probably cause serious
23 harm or damage to the marine resources of the State’s
24 Adjacent Zone. Prior to acting on the petition, the Sec-
25 retary shall complete an environmental assessment that



1 documents the anticipated environmental effects of ap-
2 proving the petition.

3 “(e) LIMITATION ON LIABILITY.—A person that had
4 used an offshore oil and gas platform or other facility for
5 oil and gas purposes and that no longer has any ownership
6 or control of the platform or other facility shall not be
7 liable under Federal law for any costs or damages arising
8 from such platform or other facility after the date the plat-
9 form or other facility is used for any purpose under sub-
10 section (a), unless such costs or damages arise from—

11 “(1) use of the platform or other facility by the
12 person for development or production of oil or gas;
13 or

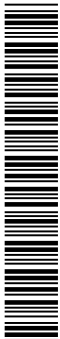
14 “(2) another act or omission of the person.

15 “(f) OTHER LEASING AND USE NOT AFFECTED.—
16 This section, and the use of any offshore oil and gas plat-
17 form or other facility for any purpose under subsection
18 (a), shall not affect—

19 “(1) the authority of the Secretary to lease any
20 area under this Act; or

21 “(2) any activity otherwise authorized under
22 this Act”.

23 (c) DEADLINE FOR REGULATIONS.—The Secretary of
24 the Interior shall issue regulations under subsection (b)



1 by not later than 180 days after the date of the enactment
2 of this Act.

3 (d) STUDY AND REPORT ON EFFECTS OF REMOVAL
4 OF PLATFORMS.—Not later than one year after the date
5 of enactment of this Act, the Secretary of the Interior,
6 in consultation with other Federal agencies as the Sec-
7 retary deems advisable, shall study and report to the Con-
8 gress regarding how the removal of offshore oil and gas
9 platforms and other facilities from the outer Continental
10 Shelf would affect existing fish stocks and coral popu-
11 lations.

12 **SEC. 673. REVISIONS TO COMPREHENSIVE INVENTORY OF**
13 **OCS OIL AND NATURAL GAS RESOURCES.**

14 Section 357 of the Energy Policy Act of 2005 (Public
15 Law 109–190) is amended—

16 (1) in subsection (a)(2) by striking “, but in-
17 cluding 3–D seismic technology” and inserting “or
18 contracting for 3–D seismic surveys,”;

19 (2) in subsection (a)(5) by striking “moratoria”
20 and inserting “withdrawals”; and

21 (3) in subsection (b) by striking “6” and insert-
22 ing “18”.

23 **SEC. 674. MINING AND PETROLEUM SCHOOLS.**

24 (a) FEDERAL ENERGY AND MINERAL RESOURCES
25 PROFESSIONAL DEVELOPMENT FUND.—



1 (1) PROFESSIONAL DEVELOPMENT FUND.—

2 There is established in the Treasury a separate ac-
3 count to be known as the “Federal Energy And
4 Mineral Resources Professional Development Fund”
5 (in this section referred to as the “Professional De-
6 velopment Fund”).

7 (2) FUNDING.—Beginning with fiscal year
8 2006, the Secretary of the Treasury shall deposit in
9 the Professional Development Fund—

10 (A) such sums as are provided by subpara-
11 graphs (A)(iv) and (B)(iv) of section 9(b)(4) of
12 the Outer Continental Shelf Lands Act (43
13 U.S.C. 1338(b)(4)(A)(iv) and (b)(4)(B)(iv)),
14 and subparagraphs (A)(iv) and (B)(iv) of sec-
15 tion 9(c)(4) of the Outer Continental Shelf
16 Lands Act (43 U.S.C. 1338(c)(4)(A)(iv) and
17 (c)(4)(B)(iv)), as amended by this Act;

18 (B) 2 percent of all sums paid into the
19 Treasury under section 35 of the Mineral Leas-
20 ing Act (30 U.S.C. 191);

21 (C) 2 percent of all sums paid into the
22 Treasury from other revenues derived from
23 bonus bids and royalties from the leasing of
24 minerals other than oil and gas on public lands;
25 and



1 (D) donations received under paragraph
2 (4).

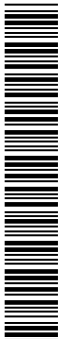
3 (3) INVESTMENTS.—The Secretary of the
4 Treasury shall invest the amounts deposited under
5 paragraph (2) and all accrued interest on the
6 amounts deposited under paragraph (2) only in in-
7 terest bearing obligations of the United States or in
8 obligations guaranteed as to both principal and in-
9 terest by the United States.

10 (4) DONATIONS.—The Secretary of the Interior
11 may solicit and accept donations of funds for deposit
12 into the Professional Development Fund.

13 (5) AVAILABILITY TO SECRETARY OF THE IN-
14 TERIOR.—

15 (A) IN GENERAL.—Beginning with fiscal
16 year 2007, and in each fiscal year thereafter,
17 the amounts deposited into the Professional De-
18 velopment Fund, together with the interest
19 thereon, shall be available, without fiscal year
20 limitations, to the Secretary of the Interior for
21 use to carry out the Energy and Mineral
22 Schools Reinvestment Act.

23 (B) WITHDRAWALS AND TRANSFER OF
24 FUNDS.—The Secretary of the Treasury shall
25 withdraw such amounts from the Professional



1 Development Fund as the Secretary of the Inte-
2 rior may request and transfer such amounts to
3 the Secretary of the Interior to be used, at the
4 discretion of the Secretary to carry out the En-
5 ergy and Mineral Schools Reinvestment Act.

6 (b) MAINTENANCE AND RESTORATION OF EXISTING
7 AND HISTORIC PETROLEUM AND MINING ENGINEERING
8 PROGRAMS.—Public Law 98–409 (30 U.S.C. 1221 et
9 seq.) is amended to read as follows:

10 **“SEC. 1. SHORT TITLE.**

11 “This Act may be cited as the ‘Energy and Mineral
12 Schools Reinvestment Act’.

13 **“SEC. 2. POLICY.**

14 “It is the policy of the United States to maintain the
15 human capital needed to preserve and foster the economic,
16 energy, and mineral resources security of the United
17 States. The petroleum and mining engineering programs
18 and the applied geology and geophysics programs at State
19 chartered schools, universities, and institutions that
20 produce human capital are national assets and should be
21 assisted with Federal funds to ensure their continued
22 health and existence.



1 **“SEC. 3. MAINTAINING AND RESTORING HISTORIC AND EX-**
2 **ISTING PETROLEUM AND MINING ENGINEER-**
3 **ING EDUCATION PROGRAMS.**

4 “(a) Using the funds in the Federal Energy And Min-
5 eral Resources Professional Development Fund, the Sec-
6 retary of the Interior (in this Act referred to as the ‘Sec-
7 retary’) shall provide funds to each historic and existing
8 State-chartered recognized petroleum or mining school to
9 assist such schools, universities, and institutions in main-
10 taining programs in petroleum, mining, and mineral engi-
11 neering education and research. All funds shall be directed
12 only to these programs and shall be subject to the condi-
13 tions of this section. Such funds shall not be less than
14 40 percent of the annual outlay of funds under this Act.

15 “(b) In this Act the term ‘historic and existing State-
16 chartered recognized petroleum or mining school’ means
17 a school, university, or educational institution with the
18 presence of an engineering program meeting the specific
19 program criteria, established by the member societies of
20 ABET, Inc., for petroleum, mining, or mineral engineer-
21 ing and that is accredited on the date of enactment of
22 the Offshore State Options Act of 2005 by ABET, Inc.

23 “(c) It shall be the duty of each school, university,
24 or institution receiving funds under this section to provide
25 for the training of undergraduate and graduate petroleum,
26 mining, and mineral engineers through research, inves-



1 tigtations, demonstrations, and experiments. All such work
2 shall be carried out in a manner that will enhance under-
3 graduate education.

4 “(d) Each school, university, or institution receiving
5 funds under this Act shall maintain the program for which
6 the funds are provided for 10 years after the date of the
7 first receipt of such funds take steps agreed to by the Sec-
8 retary, to increase the number of undergraduate students
9 enrolled in and completing the programs of study in petro-
10 leum, mining, and mineral engineering.

11 “(e) The research, investigation, demonstration, ex-
12 periment, and training authorized by this section may in-
13 clude development and production of conventional and
14 non-conventional fuel resources, the production of metallic
15 and non-metallic mineral resources, and the production of
16 stone, sand, and gravel. In all cases the work carried out
17 with funds made available under this Act shall include a
18 significant opportunity for participation by undergraduate
19 students.

20 “(f) Research funded by this Act related to energy
21 and mineral resource development and production may in-
22 clude studies of petroleum, mining, and mineral extraction
23 and immediately related beneficiation technology; mineral
24 economics, reclamation technology and practices for active
25 operations, and the development of re-mining systems and



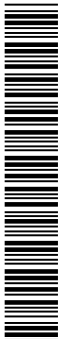
1 technologies to facilitate reclamation that fosters the ulti-
2 mate recovery of resources at abandoned petroleum, min-
3 ing, and aggregate production sites.

4 “(g) Grants for basic science and engineering studies
5 and research shall not require additional participation by
6 funding partners. Grants for studies to demonstrate the
7 proof of concept for science and engineering or the dem-
8 onstration of feasibility and implementation shall include
9 participation by industry and may include funding from
10 other Federal agencies.

11 “(h)(1) No funds made available under this section
12 shall be applied to the acquisition by purchase or lease
13 of any land or interests therein, or the rental, purchase,
14 construction, preservation, or repair of any building.

15 “(2) Funding made available under this section may
16 be used with the express approval of the Secretary for pro-
17 posals that will provide for maintaining or upgrading of
18 existing laboratories and laboratory equipment. Funding
19 for such maintenance shall not be used for university over-
20 head expenses.

21 “(3) Funding made available under this Act may be
22 used for maintaining and upgrading university-owned
23 mines and oil and gas drilling rigs used for undergraduate
24 and graduate training and mine safety training for the
25 industry. All requests for funding such mines and oil and



1 gas drilling rigs must demonstrate that they have been
2 owned by the university for 5 years prior to the date of
3 enactment of the Offshore State Options Act of 2005 and
4 have been actively used for instructional purposes during
5 that time.

6 “(4) Any funding made available under this section
7 for research, investigation, demonstration, experiment, or
8 training shall not be used for university overhead charges
9 in excess of 10 percent of the amount authorized by the
10 Secretary.

11 **“SEC. 4. FORMER PETROLEUM AND MINING ENGINEERING**
12 **PROGRAMS.**

13 “A school, university, or educational institution that
14 formerly met the requirements of section 3(b) of this Act
15 immediately before the date of the enactment of the Off-
16 shore State Options Act of 2004 shall be eligible for fund-
17 ing under this Act only if it—

18 “(1) establishes a petroleum, mining, or mineral
19 engineering program that meets the specific program
20 criteria and is accredited as such by ABET, Inc.;

21 “(2) agrees to the conditions of subsections (c),
22 (d), and (e) of section 3 and the Secretary, as ad-
23 vised by the Committee established by section 11,
24 determines that the program will strengthen and in-
25 crease the number of nationally available, well-



1 qualified faculty members in petroleum, mining, and
2 mineral engineering; and

3 “(3) agrees to maintain the accredited program
4 for 10 years after the date of the first receipt of
5 funds under this Act.

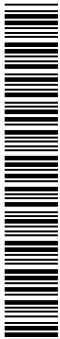
6 **“SEC. 5. FUNDING OF CONSORTIA OF HISTORIC AND EXIST-**
7 **ING SCHOOLS.**

8 “(a) Where appropriate, the Secretary may make
9 funds available to consortia of schools, universities, or in-
10 stitutions that include the historic and existing petroleum
11 and mining schools to meet the necessary expenses for
12 purposes of—

13 “(1) specific energy and mineral research
14 projects of broad application that could not other-
15 wise be undertaken, including the expenses of plan-
16 ning and coordinating regional petroleum, mining,
17 and mineral engineering projects by two or more
18 schools; and

19 “(2) research into any aspects of petroleum,
20 mining, or mineral engineering problems that are re-
21 lated to the mission of the Department of the Inte-
22 rior and that are considered by the Committee to be
23 desirable.

24 “(b) Each application for funds under subsection (a)
25 shall state, among other things, the nature of the project



1 to be undertaken; the period during which it will be pur-
2 sued; the qualifications of the personnel who will direct
3 and conduct it; the estimated costs; the importance of the
4 project to the Nation, region, or States concerned; its rela-
5 tion to other known research projects theretofore pursued
6 or being pursued; the extent to which the proposed project
7 will maximize the opportunity for the training of under-
8 graduate petroleum, mining, and mineral engineers; and
9 the extent of participation by nongovernmental sources in
10 the project.

11 “(c) No funds shall be made available under this sec-
12 tion except for a project approved by the Secretary. All
13 funds shall be made available upon the basis of merit of
14 the project, the need for the knowledge that it is expected
15 to produce when completed, and the opportunity it pro-
16 vides for the undergraduate training of individuals as pe-
17 troleum, mining, and mineral engineers.

18 **“SEC. 6. SUPPORT FOR SCHOOLS WITH ENERGY AND MIN-**
19 **ERAL RESOURCE PROGRAMS IN PETROLEUM**
20 **AND MINERAL EXPLORATION GEOLOGY, PE-**
21 **TROLEUM GEOPHYSICS, OR MINING GEO-**
22 **PHYSICS.**

23 “(a) Up to 20 percent of the annual outlay of funds
24 under this Act may be granted to schools, universities, and



1 institutions other than those described in sections 3, 4,
2 and 5.

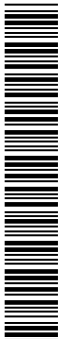
3 “(b) The Secretary, as advised by the Committee es-
4 tablished by section 11, shall determine the eligibility of
5 a college or university to receive funding under this Act
6 using criteria that include—

7 “(1) the presence of a substantial program of
8 undergraduate and graduate instruction and re-
9 search in petroleum geology, mineral exploration ge-
10 ology, economic geology, mining geology, petroleum
11 geophysics, mining geophysics, geological engineer-
12 ing, or geophysical engineering that has a dem-
13 onstrated history of achievement;

14 “(2) evidence of institutional commitment for
15 the purposes of this Act that includes a significant
16 opportunity for participation by undergraduate stu-
17 dents;

18 “(3) evidence that such school, university, or in-
19 stitution has or can obtain significant industrial co-
20 operation in activities within the scope of this Act;

21 “(4) agreement by the school, university, or in-
22 stitution to maintain the programs for which the
23 funding is sought for the 10-year period beginning
24 on the date the school, university, or institution first
25 receives such funds; and



1 “(5) requiring that such funding shall be for
2 the purposes set forth in subsections (e), (f), and (g)
3 of section 3 and subject to the conditions set forth
4 in section 3(h).

5 **“SEC. 7. DESIGNATION OF FUNDS FOR SCHOLARSHIPS AND**
6 **FELLOWSHIPS.**

7 “(a) The Committee shall recommend to the Sec-
8 retary the designation and utilization of not more than
9 40 percent of the annual outlay of funds under this Act
10 for the purpose of providing scholarships, graduate fellow-
11 ships, and postdoctoral fellowships.

12 “(b) In order to receive a scholarship or a graduate
13 fellowship, an individual student must be a lawful perma-
14 nent resident of the United States or a United States cit-
15 izen and must agree in writing to complete a course of
16 studies and receive a degree in petroleum, mining, or min-
17 eral engineering, petroleum geology, mining and economic
18 geology, petroleum and mining geophysics, or mineral eco-
19 nomics.

20 “(c) The regulations required by section 9 shall re-
21 quire that an individual, in order to retain a scholarship
22 or graduate fellowship, must continue in one of the course
23 of studies listed in subsection (b) of this section, must re-
24 main in good academic standing, as determined by the
25 school, institution, or university and must allow for rein-



1 statement of the scholarship or graduate fellowship by the
2 Secretary, upon the recommendation of the school or insti-
3 tution. Such regulations may also provide for recovery of
4 funds from an individual who fails to complete any of the
5 courses of study listed in subsection (b) of this section
6 after notice that such completion is a requirement of re-
7 ceipt funding under this Act.

8 **“SEC. 8. FUNDING CRITERIA FOR INSTITUTIONS.**

9 “(a) Funds available under this Act shall be paid at
10 such times and in such amounts during each fiscal year
11 as determined by the Secretary, and upon vouchers ap-
12 proved by the Secretary. Each school, university, or insti-
13 tution that receives funds under this Act shall—

14 “(1) establish its plan to provide for the train-
15 ing of individuals as petroleum or mineral engineers
16 and scientists under a curriculum appropriate to the
17 field of mineral resources and mineral engineering
18 and related fields;

19 “(2) establish policies and procedures that as-
20 sure that Federal funds made available under this
21 Act for any fiscal year will supplement and, to the
22 extent practicable, increase the level of funds that
23 would, in the absence of such Federal funds, be
24 made available for purposes of this Act, and in no
25 case supplant such funds; and



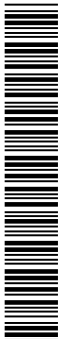
1 “(3) have an officer appointed by its governing
2 authority who shall receive and account for all funds
3 paid under this Act and shall make an annual report
4 to the Secretary on or before the first day of Sep-
5 tember of each year, on work accomplished and the
6 status of projects underway, together with a detailed
7 statement of the amounts received under this Act
8 during the preceding fiscal year, and of its disburse-
9 ments on schedules prescribed by the Secretary.

10 “(b) If any of the funds received by the authorized
11 receiving officer of any institute under this Act are found
12 by the Secretary to have been improperly diminished, lost,
13 or misapplied, such funds shall be recovered by the Sec-
14 retary.

15 “(c) Schools, universities, and institutions receiving
16 funds under this Act are authorized and encouraged to
17 plan and conduct programs under this Act in cooperation
18 with each other and with such other agencies, business en-
19 terprises and individuals.

20 **“SEC. 9. DUTIES OF SECRETARY.**

21 “(a) The Secretary, acting through the Assistant Sec-
22 retary for Land and Minerals Management, shall admin-
23 ister this Act and, after full consultation with other inter-
24 ested Federal agencies, shall prescribe such rules and reg-
25 ulations as may be necessary to carry out its provisions



1 not later than 1 year after the enactment of the Offshore
2 State Options Act of 2005.

3 “(b) The Secretary shall furnish such advice and as-
4 sistance as will best promote the purposes of this Act,
5 shall participate in coordinating research initiated under
6 this Act, shall indicate to schools, universities, and institu-
7 tions receiving funds under this Act such lines of inquiry
8 that seem most important, and shall encourage and assist
9 in the establishment and maintenance of cooperation by
10 and between such schools, universities, and institutions
11 and between them and other research organizations, the
12 Department of the Interior, and other Federal agencies.

13 “(c) On or before the first day of July of each year
14 beginning after the date of enactment of this sentence,
15 schools, universities, and institutions receiving funds
16 under this Act shall certify compliance with this Act. An
17 individual granted a scholarship or fellowship with funds
18 provided under this Act, shall through their respective
19 school, university, or institution, advise the Secretary upon
20 completion of the course of studies and the awarding of
21 the degree within 30 days after the award. As needed the
22 Secretary shall ascertain whether the requirements of this
23 Act have been met by schools, universities, and institutions
24 and individuals.



1 **“SEC. 10. COORDINATION.**

2 “(a) Nothing in this Act shall be construed to impair
3 or modify the legal relationship existing between any of
4 the schools, universities, and institutions under whose di-
5 rection an institute is established with funds provided
6 under this Act and the government of the State in which
7 it is located. Nothing in this Act shall in any way be con-
8 strued to authorize Federal control or direction of edu-
9 cation at any school, university, or institution.

10 “(b) The programs authorized by this Act are in-
11 tended to enhance the Nation’s petroleum, mining, and
12 mineral engineering education programs and to enhance
13 educational programs in petroleum and mining exploration
14 and to increase the number of individuals enrolled in and
15 completing these programs. To achieve this intent, the
16 Secretary and the Committee established by section 11
17 shall receive the continuing advice and cooperation of all
18 agencies of the Federal Government concerned with the
19 identification, exploration, and development energy and
20 mineral resources.

21 “(c) Nothing in this Act is intended to give or shall
22 be construed as giving the Secretary any authority over
23 mining and mineral resources research conducted by any
24 agency of the Federal Government, or as repealing or di-
25 minishing existing authorities or responsibilities of any
26 agency of the Federal Government to plan and conduct,



1 contract for, or assist in research in its area of responsi-
2 bility and concern with regard to mining and mineral re-
3 sources.

4 “(d) The schools, universities, and institutions receiv-
5 ing funding under this Act shall generally make publicly
6 available the information and reports on projects com-
7 pleted, in progress, or planned with funds provided under
8 this Act. This information shall be made available on an
9 annual basis. All uses, products, processes, patents, and
10 other developments resulting from any research, dem-
11 onstration, or experiment funded in whole or in part under
12 this Act shall be made available promptly to the general
13 public, subject to exception or limitation, if any, as the
14 Secretary may find necessary in the public interest or na-
15 tional security. Schools, universities, and institutions re-
16 ceiving patents for inventions funded in whole or in part
17 under this Act shall be governed by the applicable Federal
18 law, except that one percent of gross revenues derived
19 from such patents shall be paid by the schools and the
20 institutions to the Federal Energy and Mineral Resources
21 Professional Development Fund established by section
22 674(a) of the Offshore State Options Act of 2005.



1 **“SEC. 11. COMMITTEE ON PETROLEUM, MINING, AND MIN-**
2 **ERAL ENGINEERING AND ENERGY AND MIN-**
3 **ERAL RESOURCE EDUCATION.**

4 “(a) The Secretary shall appoint a Committee on Pe-
5 troleum, Mining, and Mineral Engineering and Energy
6 and Mineral Resource Education composed of—

7 “(1) the Assistant Secretary of the Interior re-
8 sponsible for land and minerals management, or a
9 delegate of such Assistant Secretary, and not more
10 than 16 other persons who are knowledgeable in the
11 fields of mining and mineral resources research, in-
12 cluding 4 university administrators two of whom
13 shall be from historic and existing petroleum and
14 mining schools; 6 representatives equally distributed
15 from the petroleum, mining, and aggregate indus-
16 tries; a working miner; a working oilfield worker; a
17 representative of the Interstate Oil and Gas Com-
18 pact Commission; a representative from the Inter-
19 state Mining Compact Commission; a representative
20 from the Western Governors Association; a rep-
21 resentative of the State geologists, and a representa-
22 tive of a State mining and reclamation agency. In
23 making these 16 appointments, the Secretary shall
24 consult with interested groups.

25 “(2) The Assistant Secretary for Land and
26 Minerals Management, in the capacity of the Chair-



1 man of the Committee, may have present during
2 meetings of the Committee representatives of Fed-
3 eral agencies with responsibility for energy and min-
4 erals resources management, energy and mineral re-
5 source investigations, energy and mineral commodity
6 information, international trade in energy and min-
7 eral commodities, mining regulation and mine safety
8 research, and research into the development, produc-
9 tion, and utilization of energy and mineral commod-
10 ities.

11 “(b) The Committee shall consult with, and make rec-
12 ommendations to, the Secretary on all matters relating to
13 funding energy and mineral resources research and the
14 awarding and allocation of funding made under this Act.
15 The Secretary shall consult with, and consider rec-
16 ommendations of, such Committee in such matters.

17 “(c) Committee members, other than officers or em-
18 ployees of Federal, State, or local governments, shall be,
19 for each day (including traveltime) during which they are
20 performing Committee business, paid at a rate fixed by
21 the Secretary but not in excess of the daily equivalent of
22 the maximum rate of pay for level IV of the Executive
23 Schedule under section 5136 of title 5, United States
24 Code, and shall be fully reimbursed for travel, subsistence,
25 and related expenses.



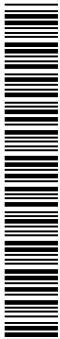
1 “(d) The Committee shall be chaired by the Assistant
2 Secretary of the Interior responsible for land and minerals
3 management. There shall also be elected a Vice Chairman
4 by the Committee from among the members referred to
5 in this section. The Vice Chairman shall perform such du-
6 ties as are determined to be appropriate by the committee,
7 except that the Chairman of the Committee must person-
8 ally preside at all meetings of the full Committee.

9 “(e) Following completion of the report required by
10 section 385 of the Energy Policy Act of 2005, the Com-
11 mittee shall consider the recommendations of the report,
12 ongoing efforts in the schools, universities, and institu-
13 tions receiving funding under this Act, the Federal and
14 State Governments, and the private sector, and shall for-
15 mulate and recommend to the Secretary a national plan
16 for a program utilizing the fiscal resources provided under
17 this Act. The Committee shall submit such plan to the
18 Secretary for approval. Upon approval, the plan shall
19 guide the Secretary and the Committee in their actions
20 under this Act.

21 “(f) Section 10 of the Federal Advisory Committee
22 Act (5 U.S.C. App.) shall not apply to the Committee.”.

23 **SEC. 675. ONSHORE AND OFFSHORE MINERAL LEASE FEES.**

24 Notwithstanding any other provision of law, the De-
25 partment of the Interior is prohibited from charging fees



1 applicable to actions on Federal onshore and offshore oil
2 and gas, coal, geothermal, and other mineral leases, in-
3 cluding transportation of any production from such leases,
4 if such fees were not in existence on January 1, 2005.
5 Fees in existence on that date may be increased by the
6 amount of the increase in the Consumer Price Index since
7 the last date that the fees were set, but such an increase
8 shall only apply to a lease issued after the date of the
9 increase.

10 **SEC. 676. ATLANTIC AND PACIFIC OCS REGION HEAD-**
11 **QUARTERS.**

12 Not later than January 1, 2008, the Secretary of the
13 Interior shall establish the headquarters for the Atlantic
14 OCS Region and the headquarters for the Pacific OCS
15 Region within a State bordering the Atlantic OCS Region
16 and a State bordering the Pacific OCS Region, respec-
17 tively, from among the States bordering those Regions,
18 that petitions by no later than July 1, 2007, for leasing
19 covering at least 40 percent of the area of its Adjacent
20 Zone within 100 miles of the coastline. Such headquarters
21 shall be located within 25 miles of the coastline and shall
22 be the permanent duty station for all Minerals Manage-
23 ment Service personnel that on a daily basis spend on av-
24 erage 60 percent or more of their time in performance of
25 duties in support of the activities of the respective Region,



1 except that the Minerals Management Service may house
2 regional inspection staff in other locations. The Atlantic
3 OCS Region and the Pacific OCS Region shall each be
4 led by a Regional Director who shall be an employee with-
5 in the Senior Executive Service.

6 **SEC. 677. NATIONAL GEOLOGIC DATA AND MAPPING FUND**

7 **ACT OF 2005.**

8 (a) **SHORT TITLE.**—This section may be cited as the
9 “National Geologic Data and Mapping Fund Act of
10 2005”.

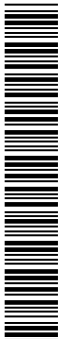
11 (b) **PURPOSES.**—The purpose of this section is to—

12 (1) establish a fund to provide funding for geo-
13 logic mapping and the preservation and use of geo-
14 logic data;

15 (2) make available receipts derived from sales,
16 bonus bids, and royalties from onshore and offshore
17 gas, minerals, oil, and any additional form of energy
18 exploration and development under the laws of the
19 United States for the purposes of the such fund;

20 (3) distribute funds from such fund each fiscal
21 year to the Secretary of the Interior and the States;
22 and

23 (4) use the distributed funds to secure the nec-
24 essary trained workforce, contractual services, and
25 other support, including maintenance and capital in-



1 vestments, to conduct geologic mapping and preserve
2 and make geologic data available for use.

3 (c) DEFINITIONS.—In this section:

4 (1) GEOLOGIC FUND.—The term “Geologic
5 Fund” means the National Geologic Data and Map-
6 ping Fund established by subsection (d).

7 (2) STATE.—The term “State” means the State
8 government agencies primarily responsible for geo-
9 logic mapping or geologic data preservation (or both)
10 within a State.

11 (d) ESTABLISHMENT AND USE OF NATIONAL GEO-
12 LOGIC DATA AND MAPPING FUND.—

13 (1) GEOLOGIC FUND.—There is established in
14 the Treasury a separate account to be known as the
15 “National Geologic Data and Mapping Fund”.

16 (2) FUNDING.—Beginning with fiscal year
17 2006, the Secretary of the Treasury shall deposit in
18 the Geologic Fund the following:

19 (A) Such sums as are provided by section
20 9(b)(4)(A)(v) and section 9(b)(4)(B)(v) of the
21 Outer Continental Shelf Lands Act (43 U.S.C.
22 1338(b)(4)(A)(v) and (b)(4)(B)(v)) and the
23 provisions of section 9(c)(4)(A)(v) and Section
24 9(c)(4)(B)(v) of the Outer Continental Shelf



1 Lands Act (43 U.S.C. 1338(c)(4)(A)(v) and
2 (c)(4)(B)(v)).

3 (B) 0.5 percent of all sums paid into the
4 Treasury under section 35 of the Mineral Leas-
5 ing Act (30 U.S.C. 191).

6 (C) 0.5 percent of all sums paid into the
7 Treasury from other revenues derived from
8 bonus bids and royalties from the leasing of
9 other minerals on public lands.

10 (3) INVESTMENTS.—The Secretary of the
11 Treasury shall invest the amounts deposited under
12 paragraph (2) and all accrued interest on the
13 amounts deposited under paragraph (2) only in in-
14 terest bearing obligations of the United States or in
15 obligations guaranteed as to both principal and in-
16 terest by the United States.

17 (4) AVAILABILITY TO SECRETARY OF THE IN-
18 TERIOR.—

19 (A) IN GENERAL.—Beginning with fiscal
20 year 2007, and in each fiscal year thereafter,
21 one-third of amounts deposited into the Geo-
22 logic Fund, together with the interest thereon,
23 shall be available, without fiscal year limita-
24 tions, to the Secretary of the Interior for use
25 for the purposes described in subsection (b)(4).

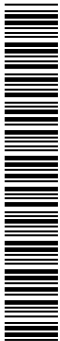


1 (B) WITHDRAWALS AND TRANSFER OF
2 FUNDS.—The Secretary of the Treasury shall
3 withdraw such amounts from the Geologic Fund
4 as the Secretary of the Interior may request,
5 subject to the limitation in subparagraph (A),
6 and transfer such amounts to the Secretary of
7 the Interior to be used, at the discretion of the
8 Secretary of the Interior, by the Minerals Man-
9 agement Service, the Bureau of Land Manage-
10 ment, and the United States Geological Survey
11 for the purposes described in subsection (b)(4).
12 No funds distributed from the Geologic Fund
13 may be used to purchase an interest in land.

14 (5) PAYMENT TO STATES.—

15 (A) IN GENERAL.—Beginning with fiscal
16 year 2007, and in each fiscal year thereafter,
17 two-thirds of amounts deposited into the Geo-
18 logic Fund, together with the interest thereon,
19 shall be available, without fiscal year limita-
20 tions, to the States for use for the purposes de-
21 scribed in subsection (b)(4).

22 (B) WITHDRAWALS AND TRANSFER OF
23 FUNDS.—Within the first 90 days of each fiscal
24 year, the Secretary of the Treasury shall with-
25 draw amounts from the Geologic Fund and



1 transfer such amounts to the States based on
2 a formula devised by the Secretary of the Inte-
3 rior based on the relative geologic mapping and
4 data preservation needs of the States.

5 (C) USE OF PAYMENTS BY STATES.—Each
6 State shall use the payments made under sub-
7 paragraph (B) only for carrying out projects
8 and programs for the purposes described in
9 subsection (b)(4). No funds distributed from
10 the Geologic Fund may be used to purchase an
11 interest in land.

12 (D) ENCOURAGEMENT OF USE OF PRIVATE
13 FUNDS BY STATES.—Each State shall use the
14 payments made under subparagraph (B) to le-
15 verage private funds for carrying out projects
16 for the purposes described in subsection (b)(4).

17 (e) REPORT TO CONGRESS.—Beginning in fiscal year
18 2008 and continuing for each fiscal year thereafter, the
19 Secretary of the Interior and each State receiving funds
20 from the Geologic Fund shall submit a report to the Com-
21 mittee on Energy and Natural Resources of the Senate
22 and the Committee on Resources of the House of Rep-
23 resentatives. Reports submitted to the Congress by the
24 Secretary of the Interior and the States shall include de-



1 tailed information regarding expenditures during the pre-
2 vious fiscal year.

3 **Subtitle E—Arctic Coastal Plain**
4 **Domestic Energy**

5 **SEC. 681. SHORT TITLE.**

6 This subtitle may be cited as the “Arctic Coastal
7 Plain Domestic Energy Security Act of 2005”.

8 **SEC. 682. DEFINITIONS.**

9 In this subtitle:

10 (1) COASTAL PLAIN.—The term “Coastal
11 Plain” means that area identified as such in the
12 map entitled “Arctic National Wildlife Refuge”,
13 dated August 1980, as referenced in section 1002(b)
14 of the Alaska National Interest Lands Conservation
15 Act of 1980 (16 U.S.C. 3142(b)(1)), comprising ap-
16 proximately 1,549,000 acres, and as described in ap-
17 pendix I to part 37 of title 50, Code of Federal Reg-
18 ulations.

19 (2) SECRETARY.—The term “Secretary”, except
20 as otherwise provided, means the Secretary of the
21 Interior or the Secretary’s designee.

22 **SEC. 683. LEASING PROGRAM FOR LANDS WITHIN THE**
23 **COASTAL PLAIN.**

24 (a) IN GENERAL.—The Secretary shall take such ac-
25 tions as are necessary—



1 (1) to establish and implement, in accordance
2 with this Act and acting through the Director of the
3 Bureau of Land Management in consultation with
4 the Director of the United States Fish and Wildlife
5 Service, a competitive oil and gas leasing program
6 under the Mineral Leasing Act (30 U.S.C. 181 et
7 seq.) that will result in an environmentally sound
8 program for the exploration, development, and pro-
9 duction of the oil and gas resources of the Coastal
10 Plain; and

11 (2) to administer the provisions of this subtitle
12 through regulations, lease terms, conditions, restric-
13 tions, prohibitions, stipulations, and other provisions
14 that ensure the oil and gas exploration, development,
15 and production activities on the Coastal Plain will
16 result in no significant adverse effect on fish and
17 wildlife, their habitat, subsistence resources, and the
18 environment, and including, in furtherance of this
19 goal, by requiring the application of the best com-
20 mercially available technology for oil and gas explo-
21 ration, development, and production to all explo-
22 ration, development, and production operations
23 under this subtitle in a manner that ensures the re-
24 ceipt of fair market value by the public for the min-
25 eral resources to be leased.



1 (b) REPEAL.—Section 1003 of the Alaska National
2 Interest Lands Conservation Act of 1980 (16 U.S.C.
3 3143) is repealed.

4 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
5 TAIN OTHER LAWS.—

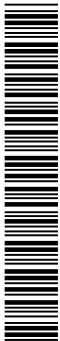
6 (1) COMPATIBILITY.—For purposes of the Na-
7 tional Wildlife Refuge System Administration Act of
8 1966, the oil and gas leasing program and activities
9 authorized by this section in the Coastal Plain are
10 deemed to be compatible with the purposes for which
11 the Arctic National Wildlife Refuge was established,
12 and that no further findings or decisions are re-
13 quired to implement this determination.

14 (2) ADEQUACY OF THE DEPARTMENT OF THE
15 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
16 STATEMENT.—The “Final Legislative Environ-
17 mental Impact Statement” (April 1987) on the
18 Coastal Plain prepared pursuant to section 1002 of
19 the Alaska National Interest Lands Conservation
20 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
21 of the National Environmental Policy Act of 1969
22 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
23 quirements under the National Environmental Policy
24 Act of 1969 that apply with respect to prelease ac-
25 tivities, including actions authorized to be taken by



1 the Secretary to develop and promulgate the regula-
2 tions for the establishment of a leasing program au-
3 thorized by this subtitle before the conduct of the
4 first lease sale.

5 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
6 TIONS.—Before conducting the first lease sale under
7 this subtitle, the Secretary shall prepare an environ-
8 mental impact statement under the National Envi-
9 ronmental Policy Act of 1969 with respect to the ac-
10 tions authorized by this subtitle that are not re-
11 ferred to in paragraph (2). Notwithstanding any
12 other law, the Secretary is not required to identify
13 nonleasing alternative courses of action or to analyze
14 the environmental effects of such courses of action.
15 The Secretary shall only identify a preferred action
16 for such leasing and a single leasing alternative, and
17 analyze the environmental effects and potential miti-
18 gation measures for those two alternatives. The
19 identification of the preferred action and related
20 analysis for the first lease sale under this subtitle
21 shall be completed within 18 months after the date
22 of enactment of this Act. The Secretary shall only
23 consider public comments that specifically address
24 the Secretary's preferred action and that are filed
25 within 20 days after publication of an environmental



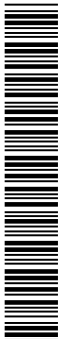
1 analysis. Notwithstanding any other law, compliance
2 with this paragraph is deemed to satisfy all require-
3 ments for the analysis and consideration of the envi-
4 ronmental effects of proposed leasing under this sub-
5 title.

6 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
7 ITY.—Nothing in this subtitle shall be considered to ex-
8 pand or limit State and local regulatory authority.

9 (e) SPECIAL AREAS.—

10 (1) IN GENERAL.—The Secretary, after con-
11 sultation with the State of Alaska, the city of
12 Kaktovik, and the North Slope Borough, may des-
13 ignate up to a total of 45,000 acres of the Coastal
14 Plain as a Special Area if the Secretary determines
15 that the Special Area is of such unique character
16 and interest so as to require special management
17 and regulatory protection. The Secretary shall des-
18 ignate as such a Special Area the Sadlerochit Spring
19 area, comprising approximately 4,000 acres as de-
20 picted on the map referred to in section 682(1).

21 (2) MANAGEMENT.—Each such Special Area
22 shall be managed so as to protect and preserve the
23 area's unique and diverse character including its
24 fish, wildlife, and subsistence resource values.



1 (3) EXCLUSION FROM LEASING OR SURFACE
2 OCCUPANCY.—The Secretary may exclude any Spe-
3 cial Area from leasing. If the Secretary leases a Spe-
4 cial Area, or any part thereof, for purposes of oil
5 and gas exploration, development, production, and
6 related activities, there shall be no surface occu-
7 pancy of the lands comprising the Special Area.

8 (4) DIRECTIONAL DRILLING.—Notwithstanding
9 the other provisions of this subsection, the Secretary
10 may lease all or a portion of a Special Area under
11 terms that permit the use of horizontal drilling tech-
12 nology from sites on leases located outside the area.

13 (f) LIMITATION ON CLOSED AREAS.—The Sec-
14 retary's sole authority to close lands within the Coastal
15 Plain to oil and gas leasing and to exploration, develop-
16 ment, and production is that set forth in this subtitle.

17 (g) REGULATIONS.—

18 (1) IN GENERAL.—The Secretary shall pre-
19 scribe such regulations as may be necessary to carry
20 out this subtitle, including rules and regulations re-
21 lating to protection of the fish and wildlife, their
22 habitat, subsistence resources, and environment of
23 the Coastal Plain, by no later than 15 months after
24 the date of enactment of this Act.



1 (2) REVISION OF REGULATIONS.—The Sec-
2 retary shall periodically review and, if appropriate,
3 revise the rules and regulations issued under sub-
4 section (a) to reflect any significant biological, envi-
5 ronmental, or engineering data that come to the Sec-
6 retary's attention.

7 **SEC. 684. LEASE SALES.**

8 (a) IN GENERAL.—Lands may be leased pursuant to
9 this subtitle to any person qualified to obtain a lease for
10 deposits of oil and gas under the Mineral Leasing Act (30
11 U.S.C. 181 et seq.).

12 (b) PROCEDURES.—The Secretary shall, by regula-
13 tion, establish procedures for—

14 (1) receipt and consideration of sealed nomina-
15 tions for any area in the Coastal Plain for inclusion
16 in, or exclusion (as provided in subsection (c)) from,
17 a lease sale;

18 (2) the holding of lease sales after such nomina-
19 tion process; and

20 (3) public notice of and comment on designa-
21 tion of areas to be included in, or excluded from, a
22 lease sale.

23 (c) LEASE SALE BIDS.—Bidding for leases under
24 this subtitle shall be by sealed competitive cash bonus bids.



1 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
2 lease sale under this subtitle, the Secretary shall offer for
3 lease those tracts the Secretary considers to have the
4 greatest potential for the discovery of hydrocarbons, tak-
5 ing into consideration nominations received pursuant to
6 subsection (b)(1), but in no case less than 200,000 acres.

7 (e) TIMING OF LEASE SALES.—The Secretary
8 shall—

9 (1) conduct the first lease sale under this sub-
10 title within 22 months after the date of the enact-
11 ment of this Act; and

12 (2) conduct additional sales so long as sufficient
13 interest in development exists to warrant, in the Sec-
14 retary's judgment, the conduct of such sales.

15 **SEC. 685. GRANT OF LEASES BY THE SECRETARY.**

16 (a) IN GENERAL.—The Secretary may grant to the
17 highest responsible qualified bidder in a lease sale con-
18 ducted pursuant to section 684 any lands to be leased on
19 the Coastal Plain upon payment by the lessee of such
20 bonus as may be accepted by the Secretary.

21 (b) SUBSEQUENT TRANSFERS.—No lease issued
22 under this subtitle may be sold, exchanged, assigned, sub-
23 let, or otherwise transferred except with the approval of
24 the Secretary. Prior to any such approval the Secretary



1 shall consult with, and give due consideration to the views
2 of, the Attorney General.

3 **SEC. 686. LEASE TERMS AND CONDITIONS.**

4 (a) IN GENERAL.—An oil or gas lease issued pursu-
5 ant to this subtitle shall—

6 (1) provide for the payment of a royalty of not
7 less than 12½ percent in amount or value of the
8 production removed or sold from the lease, as deter-
9 mined by the Secretary under the regulations appli-
10 cable to other Federal oil and gas leases;

11 (2) provide that the Secretary may close, on a
12 seasonal basis, portions of the Coastal Plain to ex-
13 ploratory drilling activities as necessary to protect
14 caribou calving areas and other species of fish and
15 wildlife;

16 (3) require that the lessee of lands within the
17 Coastal Plain shall be fully responsible and liable for
18 the reclamation of lands within the Coastal Plain
19 and any other Federal lands that are adversely af-
20 fected in connection with exploration, development,
21 production, or transportation activities conducted
22 under the lease and within the Coastal Plain by the
23 lessee or by any of the subcontractors or agents of
24 the lessee;



1 (4) provide that the lessee may not delegate or
2 convey, by contract or otherwise, the reclamation re-
3 sponsibility and liability to another person without
4 the express written approval of the Secretary;

5 (5) provide that the standard of reclamation for
6 lands required to be reclaimed under this subtitle
7 shall be, as nearly as practicable, a condition capable
8 of supporting the uses which the lands were capable
9 of supporting prior to any exploration, development,
10 or production activities, or upon application by the
11 lessee, to a higher or better use as approved by the
12 Secretary;

13 (6) contain terms and conditions relating to
14 protection of fish and wildlife, their habitat, and the
15 environment as required pursuant to section
16 683(a)(2);

17 (7) provide that the lessee, its agents, and its
18 contractors use best efforts to provide a fair share,
19 as determined by the level of obligation previously
20 agreed to in the 1974 agreement implementing sec-
21 tion 29 of the Federal Agreement and Grant of
22 Right of Way for the Operation of the Trans-Alaska
23 Pipeline, of employment and contracting for Alaska
24 Natives and Alaska Native Corporations from
25 throughout the State;



1 (8) prohibit the export of oil produced under
2 the lease; and

3 (9) contain such other provisions as the Sec-
4 retary determines necessary to ensure compliance
5 with the provisions of this subtitle and the regula-
6 tions issued under this subtitle.

7 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
8 as a term and condition of each lease under this subtitle
9 and in recognizing the Government's proprietary interest
10 in labor stability and in the ability of construction labor
11 and management to meet the particular needs and condi-
12 tions of projects to be developed under the leases issued
13 pursuant to this subtitle and the special concerns of the
14 parties to such leases, shall require that the lessee and
15 its agents and contractors negotiate to obtain a project
16 labor agreement for the employment of laborers and me-
17 chanics on production, maintenance, and construction
18 under the lease.

19 **SEC. 687. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

20 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
21 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—
22 The Secretary shall, consistent with the requirements of
23 section 683, administer the provisions of this subtitle
24 through regulations, lease terms, conditions, restrictions,
25 prohibitions, stipulations, and other provisions that—



1 (1) ensure the oil and gas exploration, develop-
2 ment, and production activities on the Coastal Plain
3 will result in no significant adverse effect on fish
4 and wildlife, their habitat, and the environment;

5 (2) require the application of the best commer-
6 cially available technology for oil and gas explo-
7 ration, development, and production on all new ex-
8 ploration, development, and production operations;
9 and

10 (3) ensure that the maximum amount of sur-
11 face acreage covered by production and support fa-
12 cilities, including airstrips and any areas covered by
13 gravel berms or piers for support of pipelines, does
14 not exceed 2,000 acres on the Coastal Plain.

15 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—
16 The Secretary shall also require, with respect to any pro-
17 posed drilling and related activities, that—

18 (1) a site-specific analysis be made of the prob-
19 able effects, if any, that the drilling or related activi-
20 ties will have on fish and wildlife, their habitat, and
21 the environment;

22 (2) a plan be implemented to avoid, minimize,
23 and mitigate (in that order and to the extent prac-
24 ticable) any significant adverse effect identified
25 under paragraph (1); and



1 (3) the development of the plan shall occur
2 after consultation with the agency or agencies hav-
3 ing jurisdiction over matters mitigated by the plan.

4 (c) REGULATIONS TO PROTECT COASTAL PLAIN
5 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
6 AND THE ENVIRONMENT.—Before implementing the leas-
7 ing program authorized by this subtitle, the Secretary
8 shall prepare and promulgate regulations, lease terms,
9 conditions, restrictions, prohibitions, stipulations, and
10 other measures designed to ensure that the activities un-
11 dertaken on the Coastal Plain under this subtitle are con-
12 ducted in a manner consistent with the purposes and envi-
13 ronmental requirements of this subtitle.

14 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
15 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
16 proposed regulations, lease terms, conditions, restrictions,
17 prohibitions, and stipulations for the leasing program
18 under this subtitle shall require compliance with all appli-
19 cable provisions of Federal and State environmental law
20 and shall also require the following:

21 (1) Standards at least as effective as the safety
22 and environmental mitigation measures set forth in
23 items 1 through 29 at pages 167 through 169 of the
24 “Final Legislative Environmental Impact State-
25 ment” (April 1987) on the Coastal Plain.



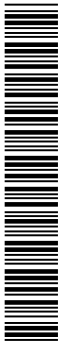
1 (2) Seasonal limitations on exploration, develop-
2 ment, and related activities, where necessary, to
3 avoid significant adverse effects during periods of
4 concentrated fish and wildlife breeding, denning,
5 nesting, spawning, and migration.

6 (3) That exploration activities, except for sur-
7 face geological studies, be limited to the period be-
8 tween approximately November 1 and May 1 each
9 year and that exploration activities shall be sup-
10 ported, if necessary, by ice roads, winter trails with
11 adequate snow cover, ice pads, ice airstrips, and air
12 transport methods, except that such exploration ac-
13 tivities may occur at other times, if the Secretary
14 finds that such exploration will have no significant
15 adverse effect on the fish and wildlife, their habitat,
16 and the environment of the Coastal Plain.

17 (4) Design safety and construction standards
18 for all pipelines and any access and service roads,
19 that—

20 (A) minimize, to the maximum extent pos-
21 sible, adverse effects upon the passage of mi-
22 gratory species such as caribou; and

23 (B) minimize adverse effects upon the flow
24 of surface water by requiring the use of cul-
25 verts, bridges, and other structural devices.



1 (5) Prohibitions on general public access and
2 use on all pipeline access and service roads.

3 (6) Stringent reclamation and rehabilitation re-
4 quirements, consistent with the standards set forth
5 in this subtitle, requiring the removal from the
6 Coastal Plain of all oil and gas development and
7 production facilities, structures, and equipment upon
8 completion of oil and gas production operations, ex-
9 cept that the Secretary may exempt from the re-
10 quirements of this paragraph those facilities, struc-
11 tures, or equipment that the Secretary determines
12 would assist in the management of the Arctic Na-
13 tional Wildlife Refuge and that are donated to the
14 United States for that purpose.

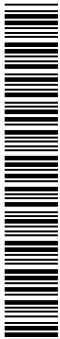
15 (7) Appropriate prohibitions or restrictions on
16 access by all modes of transportation.

17 (8) Appropriate prohibitions or restrictions on
18 sand and gravel extraction.

19 (9) Consolidation of facility siting.

20 (10) Appropriate prohibitions or restrictions on
21 use of explosives.

22 (11) Avoidance, to the extent practicable, of
23 springs, streams, and river system; the protection of
24 natural surface drainage patterns, wetlands, and ri-
25 parian habitats; and the regulation of methods or



1 techniques for developing or transporting adequate
2 supplies of water for exploratory drilling.

3 (12) Avoidance or reduction of air traffic-re-
4 lated disturbance to fish and wildlife.

5 (13) Treatment and disposal of hazardous and
6 toxic wastes, solid wastes, reserve pit fluids, drilling
7 muds and cuttings, and domestic wastewater, includ-
8 ing an annual waste management report, a haz-
9 ardous materials tracking system, and a prohibition
10 on chlorinated solvents, in accordance with applica-
11 ble Federal and State environmental law.

12 (14) Fuel storage and oil spill contingency plan-
13 ning.

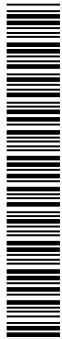
14 (15) Research, monitoring, and reporting re-
15 quirements.

16 (16) Field crew environmental briefings.

17 (17) Avoidance of significant adverse effects
18 upon subsistence hunting, fishing, and trapping by
19 subsistence users.

20 (18) Compliance with applicable air and water
21 quality standards.

22 (19) Appropriate seasonal and safety zone des-
23 ignations around well sites, within which subsistence
24 hunting and trapping shall be limited.



1 (20) Reasonable stipulations for protection of
2 cultural and archeological resources.

3 (21) All other protective environmental stipula-
4 tions, restrictions, terms, and conditions deemed
5 necessary by the Secretary.

6 (e) CONSIDERATIONS.—In preparing and promul-
7 gating regulations, lease terms, conditions, restrictions,
8 prohibitions, and stipulations under this section, the Sec-
9 retary shall consider the following:

10 (1) The stipulations and conditions that govern
11 the National Petroleum Reserve-Alaska leasing pro-
12 gram, as set forth in the 1999 Northeast National
13 Petroleum Reserve-Alaska Final Integrated Activity
14 Plan/Environmental Impact Statement.

15 (2) The environmental protection standards
16 that governed the initial Coastal Plain seismic explo-
17 ration program under parts 37.31 to 37.33 of title
18 50, Code of Federal Regulations.

19 (3) The land use stipulations for exploratory
20 drilling on the KIC-ASRC private lands that are set
21 forth in Appendix 2 of the August 9, 1983, agree-
22 ment between Arctic Slope Regional Corporation and
23 the United States.

24 (f) FACILITY CONSOLIDATION PLANNING.—



1 (1) IN GENERAL.—The Secretary shall, after
2 providing for public notice and comment, prepare
3 and update periodically a plan to govern, guide, and
4 direct the siting and construction of facilities for the
5 exploration, development, production, and transpor-
6 tation of Coastal Plain oil and gas resources.

7 (2) OBJECTIVES.—The plan shall have the fol-
8 lowing objectives:

9 (A) Avoiding unnecessary duplication of fa-
10 cilities and activities.

11 (B) Encouraging consolidation of common
12 facilities and activities.

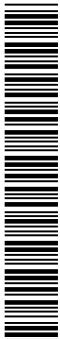
13 (C) Locating or confining facilities and ac-
14 tivities to areas that will minimize impact on
15 fish and wildlife, their habitat, and the environ-
16 ment.

17 (D) Utilizing existing facilities wherever
18 practicable.

19 (E) Enhancing compatibility between wild-
20 life values and development activities.

21 (g) ACCESS TO PUBLIC LANDS.—The Secretary
22 shall—

23 (1) manage public lands in the Coastal Plain
24 subject to subsections (a) and (b) of section 811 of



1 the Alaska National Interest Lands Conservation
2 Act (16 U.S.C. 3121); and

3 (2) ensure that local residents shall have rea-
4 sonable access to public lands in the Coastal Plain
5 for traditional uses.

6 **SEC. 688. EXPEDITED JUDICIAL REVIEW.**

7 (a) FILING OF COMPLAINT.—

8 (1) DEADLINE.—Subject to paragraph (2), any
9 complaint seeking judicial review of any provision of
10 this subtitle or any action of the Secretary under
11 this subtitle shall be filed in any appropriate district
12 court of the United States—

13 (A) except as provided in subparagraph
14 (B), within the 90-day period beginning on the
15 date of the action being challenged; or

16 (B) in the case of a complaint based solely
17 on grounds arising after such period, within 90
18 days after the complainant knew or reasonably
19 should have known of the grounds for the com-
20 plaint.

21 (2) VENUE.—Any complaint seeking judicial re-
22 view of an action of the Secretary under this subtitle
23 may be filed only in the United States Court of Ap-
24 peals for the District of Columbia.



1 (3) LIMITATION ON SCOPE OF CERTAIN RE-
2 VIEW.—Judicial review of a Secretarial decision to
3 conduct a lease sale under this subtitle, including
4 the environmental analysis thereof, shall be limited
5 to whether the Secretary has complied with the
6 terms of this subtitle and shall be based upon the
7 administrative record of that decision. The Sec-
8 retary's identification of a preferred course of action
9 to enable leasing to proceed and the Secretary's
10 analysis of environmental effects under this subtitle
11 shall be presumed to be correct unless shown other-
12 wise by clear and convincing evidence to the con-
13 trary.

14 (b) LIMITATION ON OTHER REVIEW.—Actions of the
15 Secretary with respect to which review could have been
16 obtained under this section shall not be subject to judicial
17 review in any civil or criminal proceeding for enforcement.

18 **SEC. 689. FEDERAL AND STATE DISTRIBUTION OF REVE-**
19 **NUES.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
21 sion of law, of the amount of adjusted bonus, rental, and
22 royalty revenues from oil and gas leasing and operations
23 authorized under this subtitle—

24 (1) 50 percent shall be paid to the State of
25 Alaska; and



1 (2) except as provided in section 692(d) the bal-
2 ance shall be deposited into the Treasury as mis-
3 cellaneous receipts.

4 (b) PAYMENTS TO ALASKA.—Payments to the State
5 of Alaska under this section shall be made semiannually.

6 (c) USE OF BONUS PAYMENTS FOR LOW-INCOME
7 HOME ENERGY ASSISTANCE.—Amounts that are received
8 by the United States as bonuses for leases under this sub-
9 title and deposited into the Treasury under subsection
10 (a)(2) may be appropriated to the Secretary of the Health
11 and Human Services, in addition to amounts otherwise
12 available, to provide assistance under the Low-Income
13 Home Energy Assistance Act of 1981 (42 U.S.C. 8621
14 et seq.).

15 **SEC. 690. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

16 (a) EXEMPTION.—Title XI of the Alaska National In-
17 terest Lands Conservation Act of 1980 (16 U.S.C. 3161
18 et seq.) shall not apply to the issuance by the Secretary
19 under section 28 of the Mineral Leasing Act (30 U.S.C.
20 185) of rights-of-way and easements across the Coastal
21 Plain for the transportation of oil and gas.

22 (b) TERMS AND CONDITIONS.—The Secretary shall
23 include in any right-of-way or easement referred to in sub-
24 section (a) such terms and conditions as may be necessary
25 to ensure that transportation of oil and gas does not result



1 in a significant adverse effect on the fish and wildlife, sub-
2 sistence resources, their habitat, and the environment of
3 the Coastal Plain, including requirements that facilities be
4 sited or designed so as to avoid unnecessary duplication
5 of roads and pipelines.

6 (c) REGULATIONS.—The Secretary shall include in
7 regulations under section 683(g) provisions granting
8 rights-of-way and easements described in subsection (a)
9 of this section.

10 **SEC. 691. CONVEYANCE.**

11 In order to maximize Federal revenues by removing
12 clouds on title to lands and clarifying land ownership pat-
13 terns within the Coastal Plain, the Secretary, notwith-
14 standing the provisions of section 1302(h)(2) of the Alas-
15 ka National Interest Lands Conservation Act (16 U.S.C.
16 3192(h)(2)), shall convey—

17 (1) to the Kaktovik Inupiat Corporation the
18 surface estate of the lands described in paragraph 1
19 of Public Land Order 6959, to the extent necessary
20 to fulfill the Corporation's entitlement under section
21 12 of the Alaska Native Claims Settlement Act (43
22 U.S.C. 1611) in accordance with the terms and con-
23 ditions of the Agreement between the Department of
24 the Interior, the United States Fish and Wildlife
25 Service, the Bureau of Land Management, and the



1 Kaktovik Inupiat Corporation effective January 22,
2 1993; and

3 (2) to the Arctic Slope Regional Corporation
4 the remaining subsurface estate to which it is enti-
5 tled pursuant to the August 9, 1983, agreement be-
6 tween the Arctic Slope Regional Corporation and the
7 United States of America.

8 **SEC. 692. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
9 **NITY SERVICE ASSISTANCE.**

10 (a) FINANCIAL ASSISTANCE AUTHORIZED.—

11 (1) IN GENERAL.—The Secretary may use
12 amounts available from the Coastal Plain Local Gov-
13 ernment Impact Aid Assistance Fund established by
14 subsection (d) to provide timely financial assistance
15 to entities that are eligible under paragraph (2) and
16 that are directly impacted by the exploration for or
17 production of oil and gas on the Coastal Plain under
18 this subtitle.

19 (2) ELIGIBLE ENTITIES.—The North Slope
20 Borough, Kaktovik, and other boroughs, municipal
21 subdivisions, villages, and any other community or-
22 ganized under Alaska State law shall be eligible for
23 financial assistance under this section.

24 (b) USE OF ASSISTANCE.—Financial assistance
25 under this section may be used only for—



1 (1) planning for mitigation of the potential ef-
2 fects of oil and gas exploration and development on
3 environmental, social, cultural, recreational and sub-
4 sistence values;

5 (2) implementing mitigation plans and main-
6 taining mitigation projects;

7 (3) developing, carrying out, and maintaining
8 projects and programs that provide new or expanded
9 public facilities and services to address needs and
10 problems associated with such effects, including fire-
11 fighting, police, water, waste treatment, medivac,
12 and medical services; and

13 (4) establishment of a coordination office, by
14 the North Slope Borough, in the City of Kaktovik,
15 which shall—

16 (A) coordinate with and advise developers
17 on local conditions, impact, and history of the
18 areas utilized for development; and

19 (B) provide to the Committee on Resources
20 of the Senate and the Committee on Energy
21 and Resources of the Senate an annual report
22 on the status of coordination between devel-
23 opers and the communities affected by develop-
24 ment.

25 (c) APPLICATION.—



1 (1) IN GENERAL.—Any community that is eligi-
2 ble for assistance under this section may submit an
3 application for such assistance to the Secretary, in
4 such form and under such procedures as the Sec-
5 retary may prescribe by regulation.

6 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
7 community located in the North Slope Borough may
8 apply for assistance under this section either directly
9 to the Secretary or through the North Slope Bor-
10 ough.

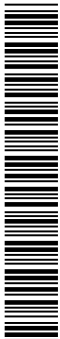
11 (3) APPLICATION ASSISTANCE.—The Secretary
12 shall work closely with and assist the North Slope
13 Borough and other communities eligible for assist-
14 ance under this section in developing and submitting
15 applications for assistance under this section.

16 (d) ESTABLISHMENT OF FUND.—

17 (1) IN GENERAL.—There is established in the
18 Treasury the Coastal Plain Local Government Im-
19 pact Aid Assistance Fund.

20 (2) USE.—Amounts in the fund may be used
21 only for providing financial assistance under this
22 section.

23 (3) DEPOSITS.—Subject to paragraph (4), there
24 shall be deposited into the fund amounts received by
25 the United States as revenues derived from rents,



1 bonuses, and royalties under on leases and lease
2 sales authorized under this subtitle.

3 (4) LIMITATION ON DEPOSITS.—The total
4 amount in the fund may not exceed \$11,000,000.

5 (5) INVESTMENT OF BALANCES.—The Sec-
6 retary of the Treasury shall invest amounts in the
7 fund in interest bearing government securities.

8 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
9 vide financial assistance under this section there is author-
10 ized to be appropriated to the Secretary from the Coastal
11 Plain Local Government Impact Aid Assistance Fund
12 \$5,000,000 for each fiscal year.

